





2025

ESG REPORT

ESG strategy 2023 - 2030
& Action Review 2024

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Editorial



JEAN-CLAUDE LE LAN
FOUNDER
CHAIRMAN OF THE
SUPERVISORY BOARD

« Since 2023, ARGAN has implemented a winning strategy that combines sustainable growth, rigorous management and significant environmental progress in support of decarbonisation and biodiversity. »

Since 2023, ARGAN has strengthened both its financial and non-financial performance. What is behind this choice?

We are faced with a world that is undergoing profound social, societal and even geopolitical changes. Beyond that, everyone can now measure the consequences of climate change on our lives and those of neighbouring countries. As Chairman of a French family real estate company, a leader on its market and listed on the SBF 120, I have always been committed to building a resilient company.

First of all, this involves the strength of our business model, based from the start on PRIME logistics real estate assets, which are energy efficient and sustainable in both construction and operation.

This also requires non-financial performance in line with the multiple ESG challenges and the expectations of all our stakeholders. Looking ahead to 2030, we provide accurate and transparent information on our future directions.

It is, above all, a true company-wide initiative that engages both management and all employees. From 2025, we are also incorporating ESG criteria into each employee's variable compensation, through a new profit-sharing agreement unanimously adopted by **ARGAN** employees. As for the members of the Executive Board, the ESG criterion now determines 20% of their bonus share award.

What do you take away from the first 18 months of deployment of this new ESG strategy?

That by being pragmatic on these themes, we manage to create ESG value, but also economic value.

The acceleration in the deployment of the various improvement plans for our portfolio (LED, Heat Pump Plan, BMS Plan, photovoltaics, etc.) and the widespread rollout of the **AUTONOM** label for our current and future developments have real, concrete and measurable impacts on our energy consumption and carbon emissions, while

also being economically profitable.

These results are very encouraging and are further reinforced by our customers' commitment to energy-related emissions. We have a community of interests because our "carbon destinies" are linked.

What do you take away from 2024 regarding your environmental commitments?

Firstly, the deliveries of seven new **AUTONOM** warehouses, which confirm the market's interest in our "Net Zero" standard in use.

In addition, we continue to enhance our various policies and action plans. As such, we have made the proactive choice to develop an initial Biodiversity Strategy, aimed at addressing the five pressures driving biodiversity loss. The associated action plan has been filed with the French Office for Biodiversity as part of our membership of Entreprises Engagées pour la Nature.

Our commitments have also been realised in an exemplary way through the project developed in Mondeville on a former industrial site, certified Biodivercity, which includes the planting of over 11,000 trees.

We have also finalised our low-carbon strategy by adding a workstream on construction-related emissions through rich dialogue with our construction partners, with an ambitious goal of reducing these emissions by 30% by 2030.

Lastly, 2024 enabled us to implement our carbon capture project, aimed at offsetting the balance of in-use emissions from our warehouses through a partnership with OKLIMA, an EDF subsidiary. This 39-hectare project, located in the municipality of Cestas in Gironde, will make it possible to plant nearly 52,000 trees from 2025 and restore a forest affected by decline caused by a pest.

What about Governance?

We continued the work begun in 2023 on the preparation and distribution of a set of internal documents (ethics charter, anti-corruption, etc.), particularly around Responsible Purchasing, an ESG Code of Conduct for our suppliers and a Stock Market Ethics Charter.

The Supervisory Board's role on ESG issues was strengthened, including the involvement of the Audit, Risk and Sustainability Committee, as was the Executive Board's expertise with the appointment of our General Secretary, notably in charge of ESG, within this body.

Lastly, we have decided to guarantee in the future a certain number of working hours entrusted to integration companies for our construction sites, as well as an increasing share of revenue for local businesses, thereby strengthening the employment benefits for the installation of a logistics warehouse in an area.

Lastly, regarding the Social aspect?

2024 saw the last tranche of our share award plan. In total, 55,000 shares were distributed to employees and corporate officers, enabling all employees to become shareholders of **ARGAN**.

In this way, we continue to involve all employees in our collective success through a fair sharing of the wealth created. We also ensure their work-life balance by adding 8 days of paid leave for all. Lastly, we have rolled out a personalised training and coaching programme to develop their skills.

All this enables us to attract and retain the best talent to guarantee our level of excellence.

With proven financial discipline, a solid understanding of risks and an ambitious ESG policy, ARGAN has all the strengths to pursue sustained and controlled development.



From left to right: Mr. Christophe Greffet (President of the La Veyle Community of Communes), Mr. Ronan Le Lan (President of the Argan Board of Directors), Ms. Agnès Renoud-Lyat (Mayor of St-Jean-sur-Veyle), Ms. Karen Richard (President of U Proximité France) and Mr. Dominique Schelcher (President and CEO of the U Cooperative)

The year "2025" is displayed in large, light green, rounded numerals. Below the numbers is a thick green horizontal bar. A small portion of the French flag, consisting of vertical stripes of blue, white, and red, is visible beneath the green bar.

ESG ESSENTIALS

ESG Strategy 2023 - 2030
& Action Review 2024

Who are we?

Family-owned **ARGAN** is the only listed French real estate company specialising in the development and rental of **PREMIUM** warehouses for blue-chip major groups and **SMEs** throughout France, with a leading position in its sector.

The solidity and stability of a French family-owned real estate company listed on the stock exchange...

Listed since 2007, **ARGAN** has continued to grow. The share price increased by 51% between 1 January 2018 and 31 December 2024, while at the same time the increase in the CAC 40 was 39%. Included in compartment A of Euronext, the **ARGAN** share is part of the Euronext SBF 120 (since September 2023), CAC All-Share, EPRA Europe (since March 2023) and IEIF SIIC France indices. At the same time, for more than 20 years, **ARGAN** has posted continuous and controlled growth in its rental income and recurring net income.

...Serving our loyal and leading tenant customers

We have in-house expert human resources that master the entire value creation chain. From identifying suitable and well-placed land to identifying the needs of future customers, including development/financing, as well as rental and asset management of our buildings. Our customers therefore benefit from the guarantee of having a single contact person to design, build and monitor their warehouses closely throughout the lease term.

The vast majority of our tenant customers are leading companies:

- Manufacturers or distributors (77% of the portfolio) such as Carrefour, Decathlon, Amazon, L'Oréal, Renault, BUT, etc.

- Logisticians operating on behalf of large companies (23% of the portfolio), such as FM Logistic, Geodis, DHL, Colis Privé, GXO, etc.
- Our top twelve tenants account for 71% of rents, spread across 58 sites.

An ambitious energy and low-carbon strategy

Our team is also fully committed to one certainty: the need to build a more virtuous and decarbonised future. This is why we have made a commitment to halve the energy consumption emissions of our assets by 2030. To this end, we are implementing **AUTONOM[®]**, for our current and future developments, and are deploying an ambitious plan to replace gas boilers with electric heat pumps for our existing portfolio and thus gradually reduce our carbon footprint, in particular by banning gas heating.

Creating value for the regions where we operate

Given our history and DNA, we have established a long-lasting and sustainable presence in the regions where we operate. Our long-term heritage vision and the premium nature of our logistics warehouses enable us to meet the expectations of local elected officials by creating value for the regions (employment, architectural quality, optimised energy management, carbon-neutral assessment of our developments, etc.).



Le Coudray

ARGAN's ESG strategy

Family-led, **ARGAN** is the only listed French real estate company specialising in the development and leasing of PREMIUM logistics warehouses for major groups and leading SMEs throughout France. Driven by a long-term vision, **ARGAN** decided to update its environmental, social and governance commitments in 2023 by giving a new impetus to its ESG strategy with the following priorities:

- The implementation of proactive action plans to promote decarbonisation and the production of renewable energies;
- Support for the territories that host our warehouses;
- The satisfaction of our customers and their support in the face of new challenges.

This ambition was supplemented in 2024 by new specific commitments on biodiversity, inclusion, local employment and responsible purchasing. For the coming years, **ARGAN** has decided to focus its efforts in three specific areas:

- **Initiate and deploy an ambitious environmental strategy, defined in decarbonisation and biodiversity action plans.**

To this end, **ARGAN** is speeding up the deployment of the plans already launched (LED plan, "Heat Pump" plan replacing gas heating, BMS plan), starting the construction of its **AUTONOM** warehouses and announcing the launch of a new stage of the deployment of photovoltaic capacities dedicated to self-consumption. Lastly, the Company will increase its attention to water management and biodiversity conservation issues.

- **Bring ESG oversight to the best international standards.**

To this end, **ARGAN** has worked to properly structure and formalise its management tools to best integrate all ESG expectations for a leading player.

- **Continue to share the creation of value, both financial and non-financial.**

Through the family-oriented nature of its ownership, **ARGAN** and its Chairman-Founder Jean-Claude Le Lan are committed to a fair distribution of value: for its shareholders, with a long-term strategy focused on premium assets and a regular increase in dividends, accompanied by an option for dividend payment in shares; **for its employees, with a unique salary structure and a bonus share award plan open to all**; and for its stakeholders, customers, and communities, with a greater emphasis on the current and future social and environmental performance of its warehouses, and a reinforced focus on the co-benefits of each new development (local employment etc.).

ARGAN thus wishes to quickly bring the company's overall performance up to the highest environmental and societal standards, by taking its full part in the decarbonisation of the supply chain and the fight against climate change.



Summary of the ESG strategy

Environmental objectives and commitments

| Category | Commitments | Indicators | 2024 progress report | 2025 Objective | 2030 Target |
|---------------------|---|--|----------------------|----------------|-------------|
| Low-carbon strategy | Implement an ambitious decarbonisation strategy, aligned with the SBTi, at the ARGAN level and by raising our clients' awareness with respect to the purchase of certified green energy. | Percentage of decrease in Scope 1 GHG emissions. | -25% | - | -70% |
| | | Percentage of decrease in Scope 2 GHG emissions. | -55% | - | Net Zero |
| | | Percentage of decrease in Scope 3 GHG emissions. Operational emissions of the building. | -25% | - | -50% |
| | | Percentage of decrease in Scope 3 GHG emissions. Construction of new buildings. | -9% | - | -30% |

NB: The 2024 progress report is compared to the reference year 2022 recalculated in 2025, to reflect changes in the operational scope (more details on page 26).

| | | | | | |
|--|--|--|------------------------------------|--------|--|
| AUTONOM [®] and energy management | Accelerate and strengthen ARGAN 's energy policy. | Percentage of new developments with the AUTONOM [®] standard. | 100% (excluding acquisitions) | 100% | 100% |
| | | Share of locally produced and self-consumed energy. | 23.6% on average on equipped sites | - | 100% equivalent heating and light 35% total consumption |
| | | Share of ARGAN warehouses without gas, in sq.m developed. | 30% | 45% | 65% |
| | | Share of ARGAN warehouses equipped with BMS/BAS. | 83% | 75% | 100% |
| | | Share of ARGAN warehouses with LED lighting. | 98% | 98% | 100% |
| | | Number of MWh of renewable energy produced. | 26,759 | 35,000 | 200,000 |

| | | | | | |
|---------------------------------|--|--|---|------|------|
| Sustainable management of sites | Improve the environmental performance of all our new developments. | Percentage of new developments certified at or above BREEAM Excellent level, in number of sites. | All developments initiated in 2025 aim for this certification | 75% | 100% |
| | Land sobriety and the fight against artificialisation. | Percentage of new developments carried out on brownfield sites, in sq.m developed smoothed over 3 years. | 18% | 10% | 20% |
| | Preservation of biodiversity. | Percentage of new developments incorporating actions to preserve and strengthen biodiversity. | 100% | 100% | 100% |
| | | Proportion of clients made aware of the sustainable management of sites (sustainable management of green spaces, better waste management schemes, etc.). | A sustainable site maintenance guide was developed in 2024. Awareness raising begins in 2025. | 50% | 100% |
| | Water management. | Share of new developments incorporating improved water management (infiltration, land management, limiting water consumption, rainwater collection, etc.). | 100 % of developments carried out by ARGAN | 50% | 100% |

Social and Societal objectives and commitments

| Category | Commitments | Indicators | 2024 progress report | 2025 Objective | 2030 Target |
|--|---|---|-------------------------|--------------------------------------|--|
| Attractiveness, loyalty and upskilling | Deliver on our current commitments to share value through free share plans for all and maintaining the equity ratio at the current level (executive pay vs median pay). | Percentage of employee shareholders of the company. | 100% | 100% | 100% |
| | | Equity ratio. | 2.2 | Minimal ratio held and well below 10 | Minimal ratio held and well below 10 |
| | | Percentage of employees concerned by the collective sales bonus and profit-sharing (conditional on the achievement of objectives). | 100% | 100% | 100% |
| | Strengthen our actions to combat all forms of discrimination, for us and our value chain. | Gender pay gap for an equivalent position. | 0% | 0% | 0% |
| | | Number of cases of harassment or discrimination. | 0 | 0 | 0 |
| | Set up the "ARGAN Academy" training programme to further strengthen the skills of our employees and raise their awareness of ESG issues. | Percentage of managers with potential for whom a personalised training and coaching programme has been set up. | 48% | 50% | 100% |
| Quality of work life | Work with our stakeholders to further improve the performance of our warehouses and ensure this performance over time, including to tackle climate change. | Percentage of new projects incorporating a co-construction process dedicated to quality of work life. | 100% | 100% | 100% |
| | Ensure the inclusiveness of the company with respect to disabilities, including for our visitors. | Share of business premises accessible to people with disabilities (head office). | 100% | 100% | 100% |
| Prevention, health and safety | Guarantee the safety of our employees by further strengthening prevention. | Percentage of employees working in the field who have completed a safety awareness and training course (electrical accreditation, road safety, etc.). | 50% | 75% | 100% |
| | Work with our stakeholders to improve safety during the construction and operation phases of our warehouses. | Percentage of builders having signed the ARGAN ESG charter, including a security component. | Action launched in 2025 | 100% (construction target) | 100% (construction and maintenance target) |
| Civic actions | Promote employment integration during the construction phases, for the maintenance and upkeep of our warehouses, in coordination with our partners and clients. | Share of construction, maintenance and upkeep contracts with inclusion clause. | Action launched in 2025 | 10% | 25% |

Governance objectives and commitments

| Category | Commitments | Indicators | 2024 progress report | 2025 Objective | 2030 Target |
|--|--|---|---|--|-----------------------|
| ESG governance | Achieve the best standards for steering our ESG policy, ensuring respect for human rights throughout its value chain. | Percentage of suppliers having signed the ARGAN ESG charter, including a human rights components. | Action launched in 2024 | 100% | 100% |
| | Promote these fundamental principles to all our stakeholders, in particular by developing our main contractual documents (property development agreements « CPI », off-plan leases « BEFA », tenders, etc.). | Percentage of new contractual documents incorporating ESG criteria and validated by our stakeholders. | Action launched in 2024 | 100% | 100% |
| | Raising employee awareness on climate change. | Proportion of employees trained and/or made aware of climate change. | 100% | 100% | 100% |
| | Further strengthen our ethical approach and the fight against all forms of corruption. | Percentage of decision-making employees trained in the fight against corruption with signature of our ethics charter. | 100% | 100% | 100% |
| | Integrate ESG performance into the company's remuneration policy, particularly for the Executive Board. | Percentage of employees with remuneration linked to ESG criteria. | Agreement signed in 2024 for 2025 | 100% of Employees | 100% of Employees |
| Reporting and transparency | Prepare for future regulatory deadlines (CSRD, Taxonomy, etc.) by addressing underlying issues (Fit for 55, etc.). | No linked indicator. | | | |
| | Define and integrate key frameworks and benchmarks to enable transparency and comparison of our ESG performance. | Number of frameworks and benchmarks integrated by ARGAN . | Global Compact Entreprises Engagées pour la Nature (action plan submitted) Sustainalytics Ethifinance GRESB ECOVADIS | + Entreprises Engagées pour la Nature (action plan approved) Sustainalytics + GRESB (publication) | CDP SBTi (validation) |
| Responsible procurement | Develop our responsible procurement policy, integrate our suppliers into the approach and train the employees concerned. | Percentage of procurement employees trained in responsible procurement. | 100% | 100% | 100% |
| | More specifically, define a new sustainable, resilient and low-carbon warehouse format with our partner-builders. | See carbon intensity environmental indicator. | | NA | NA |
| Regional development and new logistics formats | Define and implement a plan for optimising co-benefits when designing new projects, in consultation with the territories where we operate. | Percentage of new projects integrating a co-construction process with the territories where we operate. | 100% | 100% | 100% |
| | Study new virtuous schemes based, in particular, on brownfield rehabilitation. | No linked indicator. | | | |

ESG at ARGAN

Key developments achieved in 2024

■ ARGAN, a leading player in ESG management

ARGAN has strengthened its decarbonisation pathway in line with the Paris Agreement and Science by adding a target of 30% reduction in its construction-related emissions. **ARGAN** has also signed with OKLIMA, an EDF subsidiary, for the implementation of a 39-hectare forest project in the municipality of Cestas in Gironde, aimed at offsetting the irreducible energy-related emissions of its warehouses.



At the same time, **ARGAN** voluntarily defined and published its first Biodiversity Strategy based on 8 new commitments for 2030, accompanied by action plans and monitoring indicators. This action plan has been filed with the French Office of Biodiversity as part of Entreprises Engagées pour la Nature.

ARGAN has designed and distributed internally and externally (French and English versions) new Charters:

- Responsible Purchasing Charter and Supplier ESG Code;
- Stock market ethics charter.

Our Group has also appointed its General Secretary, who is notably responsible for ESG, to the Executive Board.

Lastly, **ARGAN** has incorporated the GRESB benchmark, dedicated to the ESG performance of real estate and infrastructure players, and obtained its first ECOVADIS rating. As such, the Group received a silver medal, placing **ARGAN** among the top 15% responding companies.



ARGAN supports the UN Sustainable Development Goals and released its first COP under the Global Compact in 2024.



■ ARGAN, a leading player in the energy and ecological transitions

• At its customers' side

ARGAN has continued to raise its customers' awareness of the "Energy", "Carbon" and "Sustainable management of spaces" themes. This joint work has made it possible to significantly improve the collection of environmental data for the real estate portfolio. At the end of 2024, **ARGAN** developed a sustainable building maintenance guide that will be shared with each customer in 2025.

The energy intensity per sq.m of the portfolio fell further in 2024, reaching an impressive -9.2% vs. 2022!

Our Net Zero operational warehouses are taking shape

7 new warehouses built to the **AUTONOM[®]** standard joined the **ARGAN** real estate portfolio in 2024. These warehouses make it possible to reduce greenhouse gas emissions by a factor of 10 thanks to numerous energy efficiency tools and the production of self-consumed photovoltaic energy, both in real time and via battery storage.

Actions to decarbonise the existing portfolio

ARGAN is also continuing its actions aimed at reducing the carbon intensity of its existing portfolio and accelerated the deployment of its action plans in 2024 :

- Over 1 million additional sq.m is covered by a CTM/BMS system;
- Three Heat Pump projects were launched in 2024 to replace gas heating and four other projects were initiated, covering over 265,000 sq.m of warehouses in total.

• Promoting biodiversity

In addition to the publication of its dedicated strategy, **ARGAN** has stepped up its actions in favour of preserving water resources and natural resources. The Group has planted over 15,500 trees across all its new projects.

■ ARGAN, working closely with employees

ARGAN continued its value-sharing policy, with 100% of employees as company shareholders and the addition of 8 extra days of paid leave for everyone.

2023-2024 comparison of the carbon footprint

| Scope | 2024 assessment (tCO ₂ e) | 2023 assessment (tCO ₂ e) | in % | Change 2024 vs 2023 | Comments |
|---|--------------------------------------|--------------------------------------|-------------|---------------------|--|
| Scope 1 | 65 | 690 | < 0.1% | -91% | Change in Scope 1 perimeter with the transition of the last two warehouses, now equipped with sub-meters, to Scope 3. Significant reduction in the number of kilometres travelled by the company's service vehicles. A gradual shift of the fleet towards more environmentally friendly vehicles will enable ARGAN to meet its commitments. |
| Scope 2 (location-based) | 1.9 | 3.6 | < 0.1% | -48% | Enhanced awareness among headquarter employees about climate change and a significant improvement in the emission factor (restart of French nuclear power plants) |
| Scope 2 (market-based) | 1.6 | New indicator | < 0.1% | New indicator | The implementation of a renewable energy electricity contract with a Guarantee of Origin further strengthens ARGAN 's decarbonization efforts. |
| Scope 3 (see below details) | 121,684 | 66,117 | 99% | +84% | Numerous warehouse deliveries in 2024 have a significant impact on construction figures, but operational emissions continue to decline. |
| 3.1 Products or services purchasing | 5,879 | 5,861 | 4.8% | ISO | The volumes of service and maintenance purchases have generally remained stable |
| 3.2 Capital Goods | 94,161 | 38,661 | 77.4% | +143% | ARGAN recorded strong development trends in 2024, with 7 new logistics platforms and 1 extension. However, construction intensity per sq.m has decreased by around 9% compared to 2022. |
| 3.3 Emissions related to energy not included in Scopes 1 and 2 | 15 | 30 | <0.1% | -49% | Transfer of the two warehouses previously without sub-meters from Scope 1 to Scope 3 |
| 3.5 Waste generated by production | 2 | 1 | <0.1% | 201% | Improved accuracy of headquarters waste collection data |
| 3.6 Business travel | 15 | 16 | <0.1% | | No notable trends |
| 3.7 Commute travel | 3 | 3 | <0.1% | | No notable trends |
| 3.13 Downstream Leasing (energy consumption on sites) | 21,582 | 21,520 | 17.7% | ISO | The integration of seven new logistics platforms and one extension and improved data collection offset the significant absolute decrease in gas consumption. On an electricity + gas perimeter, ARGAN warehouses emitted 9.4% less CO ₂ e in 2024 compared to 2023. |
| 3.16 Other (upstream & downstream) | 26 | 26 | <0.1% | ISO | No notable trends |
| TOTAL | 121,750 | 66,811 | 100% | +82% | Impact of an exceptional year of ARGAN development |
| TOTAL (excluding construction) | 27,589 | 28,150 | NA | -2% | |

ARGAN's primary focus for CO₂ emission reduction is its Scope 3. The first reduction target concerns emissions linked to the energy consumption of its warehouses (-50% targeted between 2022 and 2030), with significant progress already recorded (-14.5% in 2024 vs. 2022). This has been achieved through the deployment of **AUTONOM® for all recent developments and the replacement of gas boilers with electric heat pumps in the existing portfolio with a dedicated plan. Additionally, in 2024, **ARGAN** announced a new target to reduce CO₂ emissions from the construction phase by 30% by 2030.**

NB: As part of its 2024 carbon footprint assessment, **ARGAN** recalculated its 2022 baseline year to account for changes in its operational scope and advancements in data collection over the past three years. The details of this work are presented on page 26.

ESG at ARGAN

Priorities for 2025

■ ARGAN, a leading player in ESG management

While the timetable for the Corporate Sustainability Reporting Directive (CSRD) is expected to be postponed, **ARGAN** remains on the lookout for French, European and international regulatory developments and intends to supplement its analysis framework in 2025 with the launch of a study on the physical risks of its real estate portfolio and an initial resilience plan, carried out in the first half of 2025, by CARBONE 4.

This work will take into account the potential consequences of climate change and will make it possible to map the vulnerability risks of certain warehouses according to several climate scenarios and horizons.

Given its changes in its operational scope and in particular the acquisition and sale of certain warehouses, **ARGAN** will recalculate its greenhouse gas emissions reduction pathway for the reference year. The Group will also explore the various international labels and certifications dedicated to this theme in order to further improve its reference framework.

ARGAN intends to roll out its new ESG charter with its suppliers and present its sustainable maintenance guide to its customers, continuing to engage its value chain.

Lastly, **ARGAN** will step up its dialogue with ESG rating agencies – Sustainalytics, GRESB, ECOVADIS and Ethifinance – and will publish the corresponding ratings.

■ ARGAN, a leading player in the energy and ecological transitions

In 2025, **ARGAN** will continue rolling out its Heat Pump plan with the equipping of new sites. Further discussions are planned with some customers to explore developments in the warehouses used.

The decarbonisation of construction will enter an active phase with developments in specifications based on the technical solutions shared with our construction partners, with a 30% reduction in emissions by 2030 (compared to 2022).

Similarly, **ARGAN**'s biodiversity strategy will begin to be rolled out, both in new and existing projects.

Lastly, **ARGAN** will continue the work of collecting environmental data (water, waste, etc.) with its customers in order to reach a level of comprehensiveness that will enhance its advice to tenants.

■ ARGAN, working closely with employees

ARGAN intends to continue raising its employees' awareness of the environment and climate change, in line with the development of its businesses.

Our Group will also continue its training and coaching plan to reach 100% of high-potential executives by the end of 2025.



ARGAN in action



Mondeville

© Slideshow

■ Mondeville, an exemplary environmental rehabilitation

The Mondeville site on the outskirts of Caen, delivered in 2024, is an exemplary site that revives a former industrial wasteland by developing an environmentally responsible approach.

The 82,000 sq.m multi-temperature platform comprising 2,500 sq.m of offices and social facilities was built for CARREFOUR SUPPLY CHAIN on a former STELLANTIS site (formerly PSA) that was previously decontaminated. It thus limits the artificialisation of new land and the overall ecological impact of the operation. Its footprint is also very limited, with two-thirds of the 30 hectares developed remaining undeveloped.

The warehouse, which has the **AUTONOM** label, benefits from a rooftop photovoltaic power plant, coupled with storage batteries, which will be able to produce up to 1,850 MWh/year. The green energy produced will cover the site's heating, cooling and lighting needs. Heating and cooling of the site will be provided by electric air/water heat pumps that are much less energy-intensive than gas boilers, enabling a 10-fold reduction in CO₂ emissions. Mondeville is therefore the largest **AUTONOM** warehouse in France.



© Agence Franc

This project is also exemplary from an environmental perspective:

- Conservation of existing trees and planting of over 11,000 trees, from local species, according to the Miyawaki forest principle;
- Creation of numerous multi-layered habitats (flowered meadow areas, micro-forests, vegetated retention basin, vegetated patio, hedgerows, etc.);
- Reinforcement of the intra-site green infrastructure and installation of passages for small wildlife;
- Maximum limitation of light pollution;
- Integration of 27 facilities for target species identified by the preliminary study by an ecologist (insect hotels, shelters for bees or bats, birdhouses, watering and feeding stations for birds, etc.);
- Installation of educational panels on the site's biodiversity and creation of events for CARREFOUR employees;
- Definition of an ecological management plan for site operation.

In total, 41% of the land base are dedicated to green spaces. The building has received the BREAM VERY GOOD certification and the BIODIVERCITY PERFORMANT label.

Non-financial indicators

2024

| Environment | 2024 | 2023 | Unit | Change 2024 vs 2023 | Scope | GRI equivalent |
|--|---|--|----------------------------------|---------------------------------------|--|-------------------|
| Total power consumption | 232,538 | 212,816 | MWh | +9% | 100 % ARGAN + Tenant consumption | 302-1 |
| o/w renewable energy produced on site | 26,758 | 25,182 | MWh | +6% | 100% ARGAN | 302-1 |
| Total gas consumption | 37,326 | 50,625 | MWh | -26% | 100 % ARGAN + Tenant consumption | 302-1 |
| Total fuel consumption | 98,806 | 77,160 | Litres | Not applicable change of scope | 100 % ARGAN + 81% tenant sites | 302-1 |
| Average energy intensity | 72 | 73.8 | KWh/m ² | -3% | 100 % ARGAN + Tenant consumption | 302-3 |
| Scope 1 GHG emissions | 65 | 690 | tCO ₂ e | Not applicable change of scope | 100% ARGAN | 305-1 |
| Scope 2 GHG emissions | 1.9 (location- based) | 3.6 | tCO ₂ e | -48% | 100% ARGAN | 305-2 |
| Scope 3 GHG emissions | 121,684 | 66,117 | tCO ₂ e | +84% | 100% ARGAN | 305-3 |
| Total GHG emissions | 121,750 | 66,811 | tCO ₂ e | +82% | 100% ARGAN | - |
| Total water consumption | 216,423 | 183,182 | m ³ | Not applicable change of scope | 100% ARGAN + 84% of tenant sites | 303-3 |
| Water intensity of buildings | Around 8.7 m ³ / ETP ¹ | Around 11.1 m ³ / ETP ¹ | m ³ /ETP ¹ | Not applicable change of scope | 100% ARGAN + 75% of tenant sites | - |
| Share of certified warehouse fleet | 50 | 50 | % | - | 100% ARGAN | - |
| Total weight of hazardous waste generated | 880 of which 2.3 for ARGAN | 351 of which 0 for ARGAN | Tonnes | Not applicable change of scope | 100% ARGAN + 71% of tenant sites | 306-3 |
| Total weight of non- hazardous waste generated | 64,949 of which < 1t for ARGAN | 28,416 of which < 1t for ARGAN | Tonnes | Not applicable change of scope | 100% ARGAN + 71% of tenant sites | 306-3 |
| Average rate of waste recycling | 82 | 72 | % | Not applicable change of scope | 100% ARGAN + 53% of tenant sites | 306-4 |
| Number of trees planted | 15,500 | 363 | # | Not applicable exceptional project | 100% ARGAN | - |

1 FTE: Full-Time Employee

| Social | 2024 | 2023 | Unit | Change 2024 vs 2023 | Scope | GRI equivalent |
|--|------|------|------|-------------------------|-------------------|-------------------|
| Total number of employees | 29 | 30 | # | -3% | 100% ARGAN | 2-7 and 401-1 |
| Permanent contract rate | 100 | 100 | % | - | 100% ARGAN | 2-7 |
| Ratio of female/male managers | 19 | 19 | % | - | 100% ARGAN | 405-1 |
| Total number of incidents of discrimination or harassment reported | 0 | 0 | # | - | 100% ARGAN | 406-1 |
| Equal pay ratio | 100 | 100 | % | - | 100% ARGAN | 405-2 |
| Percentage of employees who received an annual assessment | 100 | 100 | % | - | 100% ARGAN | 404-3 |
| Share of employee shareholders | 100 | 100 | % | New indicator monitored | 100% ARGAN | - |
| Turnover | 17 | 13 | % | + 4 % point | 100% ARGAN | 401-1 |
| Frequency rate of workplace accidents | 0 | 0 | % | - | 100% ARGAN | 403-9 |
| Number of workplace accidents | 0 | 0 | # | - | 100% ARGAN | 403-9 |

| Governance | 2024 | 2023 | Unit | Change 2024 vs 2023 | Scope | GRI equivalent |
|---|------|------|------|------------------------|-------------------|-------------------|
| % of women on the Supervisory Board | 38 | 38 | % | - | 100% ARGAN | 405-1 |
| % of independent members on the Supervisory Board | 38 | 38 | % | - | 100% ARGAN | - |
| Equity ratio | 2.2 | 2.4 | # | -0.2 | 100% ARGAN | |
| Total number of incidents concerning fraud, corruption and conflicts of interest reported | 0 | 0 | % | - | 100% ARGAN | 205-3 |
| Total number of incidents endangering information security | 0 | 0 | % | - | 100% ARGAN | - |

The year "2025" is displayed in large, light green, sans-serif numerals. Below the numbers is a thick green horizontal bar. A small portion of the French flag (blue, white, and red vertical stripes) is visible, partially obscured by the green bar.

2025

EXPANDED ESG REPORT

ESG Strategy 2023 - 2030
& Action Review 2024

Foreword

The detailed version of the ESG report is drafted in reference to the standards of the Global Reporting Initiative (GRI) and is analysed as an inseparable supplement to the summary. The GRI is an independent international organisation that helps companies structure and communicate their sustainable development impacts in a transparent and relevant manner.

This ESG report also voluntarily incorporates initial references and data points aligned with the European Sustainable Development Reporting Standards (ESRS).

By referring to these different standards, **ARGAN** ensures that its ESG report is complete, credible and compliant with best practices in the sector.

This document includes a GRI indexing table (see page 15) which lists the GRI standards and the information published in the report, and serves as a tool for stakeholders to navigate, understand and assess **ARGAN**'s non-financial performance.

Following the announcements by the European Commission concerning the evolution of the CSRD reporting framework (OMNIBUS Directives), **ARGAN** would no longer be directly concerned by the previous reporting obligations. **ARGAN** is still waiting for the final revised provisions to analyse and implement its compliance with the future framework dedicated to listed SMEs or the voluntary reporting framework. **ARGAN** confirms in all cases its commitments and its desire to continue improving its future ESG reports and to guarantee the transparency of its non-financial performance. **ARGAN** remains convinced that a successful business model can only be achieved by combining financial excellence with the requirements of sustainable development.

Reporting scope

This ESG report consolidates all **ARGAN** Group structures, according to the same scope as the financial reporting presented in the 2024 Universal Registration Document, available on the website www.argan.fr, investor area.

The reporting scope of non-financial information covers all the Group's legal entities fully consolidated under IFRS. In addition to **ARGAN** SA, it thus includes the activities covered by SCI Avilog (99.9%-owned), SCI CARGAN-LOG (60%-owned) and SCI NEPTUNE (99.9%-owned). The Group's stake in SCCV NANTOUR (49.90%-owned) is not included in the scope of this report.

This ESG report was produced in conjunction with **ARGAN**'s stakeholders and takes into account its value chain:

- Upstream, around its main suppliers and in particular the companies mandated to build **ARGAN**'s warehouses according to different contractual and direct responsibility models;
- Downstream, by integrating the impacts and returns as well as, more specifically, the figures for energy consumption, water consumption and the volume of waste production of **ARGAN** customers.

For each of the three main categories of non-financial information declaration, the scopes of information are specified below:

| | |
|---|--|
| Information relating to ARGAN as registered office | 100% of the scope of ARGAN |
| Carbon footprint | 100% of the scope of ARGAN |
| Energy consumption of tenant customers | 100% of the scope of ARGAN and its tenant customers |
| Water consumption of tenant customers | 84% of the scope of ARGAN and its tenant customers |
| Waste produced by tenant customers | 69% of the scope of ARGAN and its tenant customers |
| Corporate information | 100% of the scope of ARGAN |
| Information related to Governance | 100% of the scope of ARGAN |

Tenant customer data is derived from direct declarations from customers. All the data presented was qualified and verified for consistency. The elements of uncertainty, particularly in relation to the greenhouse gas emissions balance (mainly emissions factors, etc.), are deemed limited, aligned with best practices.

The significant differences in operational scope compared to 2023 are due to the organic growth factors of **ARGAN** (7 new logistics platforms developed and 1 extension) representing an additional 170,000 sq.m. At the same time, **ARGAN** sold 2 sites (1 logistics warehouse and 1 data centre), i.e. approximately 40,000 sq.m, for a net gain of approximately 130,000 sq.m, representing around 3% of the property company's real estate surface area.

General information

Challenges and context

■ Environmental issues

The construction sector, residential and tertiary, accounts for 43% of energy consumption and around 23% of greenhouse gas emissions in France (source: Ministry of Ecological Transition and Territorial Cohesion, October 2022). Reducing the environmental impact of this sector is therefore a key challenge to achieve carbon Net Zero targets by 2050 and try to limit the increase in average global temperature to 1.5°C in accordance with the Paris Agreements. With more than 90 million sq.m of warehouses of more than 5,000 sq.m in France (2021 data), the logistics and transport sector has a major role to play in this process of transition to a carbon-free economy. To protect ecosystems from the consequences of the climate emergency, the regulations imposed on us are being accelerated, through the French Tertiary Decree, the Net Zero Artificialisation target, the Climate and Resilience Law, and the Environmental Regulation « RE2020 » for the most recent.

The elements to be taken into account for **ARGAN** include:

- The increasing integration of renewable energies into the energy mix of our warehouses;
- Limiting the artificialisation of soils;
- The circular economy;
- The development of projects that preserve biodiversity;
- And taking into account the impacts of climate change and adapting our warehouses.

■ Social and societal issues

The **ARGAN** model aims to design warehouses that meet the social challenges of tenant customers and in particular employee attraction and retention. In particular, this involves creating harmonious workspaces, combining brightness, ergonomics, acoustic, thermal and visual comfort, etc. to reinforce “working well” together. More generally, **ARGAN**'s customers expect openness, advice, responsiveness, and innovative and personalised solutions.

In addition, for its own social challenges and in a context of strong competition for talent, **ARGAN** guarantees equal and fair treatment of its employees, regardless of their gender or their social or demographic origins.

ARGAN must also respond to major societal challenges, in a context of scarce land availability and competing uses, to support local authorities in the economic development of their regions.



Augny (for Amazon)

© Mestre

■ 2024/2025 context: market premiumisation confirmed

In 2024, take-up for warehouses in France fell by 23%, reaching around 3 million sq.m, a normalisation of demand after record years, in an overall wait-and-see climate driven by political and economic conditions.

Despite this drop in demand, the logistics and industrial investment market saw a significant recovery with an investment volume of over €5 billion. This momentum underscores investors' confidence in logistics.

The growing use of data and artificial intelligence (AI) is also strengthening, around digital platforms that improve warehouse management and energy performance, addressing the increasing demands for environmental reporting in the supply chain.

In addition, the environmental goals of the major players, particularly around decarbonisation and biodiversity, continue to strengthen and are expected to lead to portfolio reviews to favour assets with the best environmental performance. The saturation of traditional logistics zones and the anticipation of ZNA (Zero Net Artificialisation) are changing regional dynamics and accentuating decentralisation towards peripheral areas. The management of risks – particularly those related to climate change – is being bolstered to increase agility and meet end customers' expectations.

A premium in terms of both rents and asset valuation is therefore expected to increase in the coming years for PREMIUM assets – modern, well-equipped Class A warehouses –, which are at the heart of **ARGAN**'s business, as can already be seen throughout Western and Northern Europe.

In this context and in line with our deleveraging strategy, our pace of growth will remain strong in the coming years and will enable us both to meet the needs of the market and to pursue a proactive policy of strengthening our ESG performance through the implementation of new generations of PREMIUM warehouses and the sale, on a case-by-case basis, of certain assets.

Our business model

Starting from a blank slate in 2000, ARGAN has developed global expertise in the development and leasing of **PREMIUM** warehouses.

ARGAN's expertise can be seen at every stage of the warehouse development and rental management process and the Company's positioning as a pure player ensures it is constantly being enhanced.

This involves:

- **Understanding and examining customers' storage and distribution needs in depth**, working with them to design their future warehouse and supporting them with active asset management.
- **Finding suitable land and negotiating with communities** and private owners to build up a high-quality land reserve in prime locations.
- **Optimising the overall design** of the logistics project thanks to in-depth knowledge of the operation of a warehouse and its flows of goods and vehicles.
- **Maintaining a high level of expertise in urban planning**, environmental regulations and ICPE (Facilities Classified for the Protection of the Environment) to guarantee feasibility and control project deadlines.
- **Mastering the technical studies** of all construction components and guaranteeing the quality of construction through close monitoring of the construction phase and the acceptance stages of the works.
- **Effectively carrying out rental and asset management missions** in order to maintain the quality of the sites over time, to meet the expectations of tenant customers (improvements, extensions, etc.) and, in general, to manage the portfolio assets by making relevant acquisitions or arbitrages. Asset management certainly demands perfect knowledge of commercial leases, but above all it requires a spirit of long-term partnership and the utmost respect for customers.
- **Assisting our customers to help them reduce their energy consumption and their GHG emissions**, to better control the impact of their activities on biodiversity and the aquatic environment and to improve the quality of life at work for their employees in a context of intense competition between companies to attract the best talent.

36 % of ARGAN shareholders chose to pay the dividend in shares on average over the last 6 years (2018-2023)



Key figures at 31 December 2024

■ Our resources

Human Capital

- A team of 29 employees with multidisciplinary expertise
- 19% female managers
- Average age of 43
- Entrepreneurial spirit, awareness and innovation

Real Estate Capital

- 100 logistics platforms meeting the highest standards in PRIME locations
- Assets of 3.7 million sq.m and a land reserve of 590,000 sq.m

Tenant customer base

- 66 loyal, solvent customers, major players in their respective sectors;
- A diversified base of shippers (77%), multi-customer logistics specialists (17%) and single-customer logistics specialists (6%), present in all business sectors.

Financial Capital

- Family structure, long-term wealth vision
- A solid financial structure:
 - shareholders' equity of €2.3 billion
 - LTV HD debt ratio of 43.1%
 - cost of debt of 2.25%
 - 5-year debt maturity

Environmental Capital

- 50% of the portfolio BREEAM or HQE certified;
- 100% of new developments now certified BREEAM, EXCELLENT level
- Deployment of BMS and heat pumps on existing sites

Share Capital

- Strong knowledge and presence in over 80 local authorities
- Around 15 partner banking groups



Augny (for Amazon)

■ Value created

For our employees

- 100% permanent contracts
- Professional mobility between the various departments
- Profit-sharing agreement for all employees
- Bonus share award for all employees
- Strictly equal collective bonus for new leases

For our tenant customers

- Custom warehouses meeting the highest standards
- Innovative low-carbon warehouses (100% new developments with **AUTONOM[®]**, the net zero warehouse in use);
- 100% occupancy
- An average of 95% of leases renewed with our customers over the last 5 years

For our shareholders

- Rental income of €198m, +8% in 2024 (CAGR of +14% since 2016)
- Recurring net income of €138m, +9% in 2024, (69% of rental income)
- An asset valuation of €3.9bn, with a capitalisation rate of 5.20% (excluding duties);
- Dividend of €3.30 proposed for 2024 (yield of 5.4% vs. a benchmark of €61.6: average price of December 2024)

For the planet and the environment

- 27,000 MWh of green energy production
- €4m already invested to replace gas boilers with electric heat pumps

For our suppliers and territories

- Family structure, long-term wealth vision
- 25,000 employees of our customers work in our logistics platforms
- €180m in investments in logistics platforms delivered in 2024



ESG strategy 2023 – 2030

The pillars of our ambition

1. ARGAN, a leading player in ESG management

ARGAN intends to integrate the best management standards of its ESG policies by guaranteeing high transparency and obtaining recognition from the major French, European and international standards.

2. ARGAN, a leading player in energy and ecological transitions

ARGAN wishes to build on its initial achievements (in particular) to become one of the leaders in decarbonising its business sector. In this context, the company intends to accelerate the deployment of an ambitious energy policy focused on self-consumption, at the service of its customers.

3. ARGAN, Working closely with employees

ARGAN values collective success by directly involving its employees in creating value through a policy of sharing wealth, unique in its sector. In addition, the company focuses on the health and safety of the employees of its construction partners and its customers in its warehouses. They must be safe and pleasant places to work.

4. ARGAN, Partner of the regions

ARGAN is aware of its role as a player in regional economic development. The company wishes to continue to optimise the co-benefits of its sites while preparing for the major challenges of mixed uses and reducing soil artificialisation.

5. ARGAN, forward-looking

ARGAN places innovation and customer satisfaction at the heart of its corporate mission. The company will step up its support to better integrate environmental and societal issues into the development of logistics activities.



These priorities are reflected in the Environmental, Social, Societal and Governance policies presented after.

The Environmental Policy

ARGAN has been committed for several years to reducing its energy consumption (particularly gas) and implementing various thematic plans to improve its environmental performance: LEDs plan, heat pump plan, CTM/BMS plan, etc. Beyond that, **ARGAN** successfully launched its **AUTONOM** warehouse concept, based on the self-consumption of locally produced photovoltaic energy associated with storage batteries. All new developments of **ARGAN** are intended to be **AUTONOM** labelled upon delivery.

■ Key points of our Environmental Policy

ARGAN undertakes to protect the environment and to offset its impacts on the environment as much as possible. **ARGAN** implements pragmatic solutions to reduce its GHG emissions, waste, energy consumption or the use of raw materials. **ARGAN** ensures compliance with legislation and the integration of best environmental practices by its construction partners.

To this end, ARGAN has defined a set of thematic policies covering the following topics:

- In 2023, definition of a low-carbon strategy, closely linked to the energy efficiency strategy for buildings. This is supplemented by specific targets for 2030, making it possible to position the company on a Net Zero pathway by 2050 at the latest.
- In 2024, definition of a biodiversity strategy, in line with its status as a Committed Company for Nature (certification by the French Office for Biodiversity under the authority of the French State).
- In 2025, a physical resilience study of the real estate portfolio will be carried out, giving rise to a dedicated strategy.

Specific action plans for water and waste management complement the measures designed to reduce the impact of our activities, as well as those of our partners and customers.

■ Environmental management system

A regulatory watch carried out by an external firm allows **ARGAN** to integrate all of its obligations. The identified topics are then assigned to the relevant internal departments. Lastly, regular follow-up meetings are organised to validate **ARGAN**'s compliance with its regulatory environment.

To meet this challenge, the monthly Energy monitoring committee became an Energy/Environment monitoring committee in 2024, bringing together, under the guidance of the Chairman of the Executive Board, in the presence of the General Secretary, in charge of ESG, all the departments and experts concerned by the various environmental issues. These monitoring committees make it possible to review the indicators related to **ARGAN**'s environmental performance, discuss preventive and corrective actions undertaken or to be undertaken, and share best internal and external practices to advance the collective on the environmental theme. The minutes of these committees and the corresponding dashboards are shared with all members of the Executive Board.

In addition, each year **ARGAN** collects the main environmental performance indicators from its customers. This data sharing is now included in signed leases to ensure maximum comprehensiveness.

Lastly, **ARGAN** has strengthened its reporting and control requirements with its suppliers, in particular its construction and maintenance partners.



Vendenheim

Clear commitments, clear objectives, concrete actions

For its environmental policy, the **ARGAN** Executive Board has committed to three major focuses, accompanied by precise objectives and concrete action plans. **ARGAN** will monitor each year and report on its environmental progress.

Focus 1: Low-carbon strategy

Our commitments to 2030

- Implement an ambitious decarbonisation strategy at **ARGAN** level for our scopes 1, 2 and 3 (for the energy part) and thus reduce our emissions
- Define a specific decarbonisation plan for the construction/rehabilitation part, in conjunction with our construction partners
- Make our customers aware of the purchase of certified green energy and energy efficiency

Our actions for 2025 and 2030

- Deploy an ambitious low-carbon strategy, aligned with the Paris Agreement and Science with:
 - A 70% reduction in our emissions by 2030 on our Scope 1 (change in the vehicle fleet in particular)
 - A Net Zero level by 2030 in our Scope 2 (energy efficiency and certified green electricity purchase)
 - A 50% reduction in the in-use emissions of our warehouses (energy only) by 2030 (energy efficiency and the standard **AUTONOM[®]**)
- A 30% reduction in average emissions linked to the construction of new warehouses

| Our Objectives | Progress report for 2024 | 2025 objective | 2030 objective (Approach based on an absolute reduction) |
|--|--------------------------|----------------|---|
| Percentage decrease in Scope 1 greenhouse gas (GHG) emissions vs. 2022 (reference year). Scope: Warehouses without sub-meters, Head Office and corporate emissions (service vehicles) | -25% | - | -70% (Approach based on an absolute reduction) |
| Percentage decrease in Scope 2 GHG emissions vs. 2022 (reference year). Scope: Warehouses without sub-meters, Head Office and corporate emissions (service vehicles) | -55% | - | Net Zero |
| Percentage decrease in Scope 3 GHG emissions vs. 2022 (reference year) Scope: Building operational emissions related to energy consumption | -25% | - | -50% |
| Percentage decrease in Scope 3 GHG emissions vs. 2022 (reference year) Scope: Construction of new buildings | -9% | - | -30% i.e. 400 kg/sq.m for a warehouse at ambient temperature |



■ Carbon assessment and low-carbon policy

Mindful of the imperative to minimize the footprint of all our activities as well as that of our warehouse portfolio, we take an approach of measuring our impact and systematically reducing emissions on the items where this is possible. This is why, since 2022, **ARGAN** has carried out an annual carbon assessment on the three scopes, making it possible to assess, year after year, the proper achievement of our objectives. **ARGAN**'s GHG emissions figures are verified by an independent firm, a member of the Open Carbon Practice and The ABC (Association Bilan Carbone) proficient in the GHG Protocol and Carbon Review methodologies.

Given the changes in scope that occurred between 2022 and 2024 (acquisition and sale of warehouses) and in accordance with best practices (SBTi/GHG Protocol), **ARGAN** recalculated its reference year in early 2025.

• SCOPE 1

| | |
|--|-------------------------------|
| Initial value | 489.3 tCO₂e |
| Removal of 2 warehouses now equipped with sub-meters | - 410.6 tCO ₂ e |
| Improved data availability regarding the breakdown of commuting between professional purposes / home to office | + 5.8 tCO ₂ e |
| Final value | 84.4 tCO₂e |

• SCOPE 2 – No change

• SCOPE 3

| Initial value | | 100 042 tCO ₂ e |
|---------------|---|----------------------------|
| Item 3.2 | Standardization of the construction LCA scope, based on a common framework aligned with major reference standards | -2,187 tCO ₂ e |
| Item 3.3 | Transition of warehouses previously without sub-meters from Scope 1 to Scope 3, upstream energy share | -64 tCO ₂ e |
| | Upstream energy for business travel shifted to Scope 1 | -6 tCO ₂ e |
| Item 3.6 | Update of the aviation emission factor too uncertain | -97 tCO ₂ e |
| Item 3.13 | Transition of warehouses previously without sub-meters from Scope 1 to Scope 3, «in-use» share | + 475 tCO ₂ e |
| | Consumption of warehouses delivered in 2023 and 2024 | +526 tCO ₂ e |
| | Consumption of warehouses sold in 2023 and 2024 | -340 tCO ₂ e |
| | Reconstruction of 2022 fuel consumption | + 59 tCO ₂ e |
| | Reconstruction of 2022 refrigerant consumption | +1,798 tCO ₂ e |
| | Reconstruction of 2022 heat consumption | +335 tCO ₂ e |
| Final value | | 100,541 tCO ₂ e |

Changes in the 2022 reference year by Scope

| Scope | Initial reference year 2022 (tonnes CO ₂ e) | Reference year after recalculation (tonnes CO ₂ e) |
|--------------|--|---|
| Scope 1 | 489 | 84 |
| Scope 2 | 4 | 4 |
| Scope 3 | 100,042 | 100,541 |
| TOTAL | 100,535 | 100,629 |

Comparisons of 2024 emissions take into account this new reference year.

Our emissions by scope according to the GHG Protocol methodology

| Scope | 2024 assessment (tonnes CO ₂ e) | Reference year 2022 (tonnes CO ₂ e) | % | Change 2024 vs 2022 |
|-------------------------------------|--|--|-------------|---------------------|
| Scope 1 | 64.8 | 84 | <0.1% | -23% |
| Scope 2 | 1.89 | 4 | < 0.1% | -55% |
| Scope 3 | 121,684 | 100,541 | 99% | +21% |
| TOTAL | 121,750 | 100,629 | 100% | +21% |
| TOTAL (without construction) | 27,589 | 37,828 | NA | -27% |

- The decrease in scope 1 mainly concerns:
 - The reduction in the number of kilometres travelled with service vehicles between 2024 and 2022.
 - The replacement of certain vehicles with lower-emission alternatives.
 - Awareness initiatives and a gradual shift of the fleet toward low-carbon transportation will enable **ARGAN** to meet its commitments.
- The decrease in scope 2 was mainly driven by:
 - Enhanced awareness among headquarters employees about climate change and the importance of reducing energy consumption.
 - The decrease in the emission factor of the French electricity mix following the restart of the nuclear fleet.

NotethatsinceNovember2024,**ARGAN**'shheadquarters has been powered by certified green electricity with a

Guarantee of Origin. The carbon footprint will now be presented in both location-based and market-based approaches (see below for the detailed 2024 figures).

- The increase in scope 3 is linked to:
 - A record level of development in 2024 with 7 new warehouses added to the portfolio.
 - **Note that the total «In Use» energy-related emissions have decreased by 25% between 2024 and 2022.**
 - **The average carbon cost of construction per sq.m has decreased by 9.2% between 2024 and 2022, dropping from 575 kgCO₂e/m² to 522 kgCO₂e/m².**

The combined total of our Scope 1 & 2 emissions accounts for less than 0.1% of our overall emissions. The majority of our emissions come from the construction of new warehouses, renovations, maintenance, end-of-life processes, and energy use.



Our emissions by item according to the GHG Protocol methodology

| Item | 2024 assessment (tonnes CO ₂ e) | % | Reference 2023 (tonnes CO ₂ e) | Change 2024 / 2023 |
|--|--|-----------------|--|-----------------------|
| 1.1 Direct emissions from stationary combustion sources | 0 | 0% | 585 | -100 % |
| 1.2 Direct emissions from mobile combustion sources | 60 | <0.1% | 100 | -41% |
| 1.3 Direct process emissions | 0 | 0% | 0 | NA |
| 1.4 Direct fugitive emissions | 5 | <0.1% | 5 | ISO |
| TOTAL SCOPE 1 | 65 | <0.1% | 690 | -91% |
| 2.1 Indirect emissions related to electricity consumption | 1.9 | <0.1% | 3.6 | -48% |
| 2.2 Indirect emissions related to steam, heat, or cooling consumption | 0 | 0% | 0 | NA |
| TOTAL SCOPE 2 (location-based) | 1.9 | <0.1% | 3,6 | -48% |
| TOTAL SCOPE 2 (market-based) | 1.57 | <0.1% | NA | NA |
| 3.1 Purchased goods and services | 5,879 | 5% | 5,861 | ISO |
| 3.2 Fixed assets (construction) | 94,161 | 77% | 36,661 | +143% |
| 3.3 Emissions related to fuels and energy (not included in Scope 1 or Scope 2) | 15 | <0.1% | 30 | -49% |
| 3.4 Upstream freight transport and distribution | 0 | 0% | 0 | NA |
| 3.5 Waste generated | 2 | <0.1% | 1 | +201% |
| 3.6 Business travel | 15 | <0.1% | 16 | ISO |
| 3.7 Employee commuting | 3 | <0.1% | 3 | ISO |
| 3.8 Upstream leased assets | 0 | 0% | 0 | NA |
| 3.9 Downstream freight transport and distribution | 0 | 0% | 0 | NA |
| 3.10 Processing of sold products | 0 | 0% | 0 | NA |
| 3.11 Use of sold products | 0 | 0% | 0 | NA |
| 3.12 End-of-life of sold products | 0 | 0% | 0 | NA |
| 3.13 Downstream leased assets | 21,582 | 18% | 21,520 | ISO |
| 3.14 Franchises | 0 | 0% | 0 | NA |
| 3.15 Investments | 0 | 0% | 0 | NA |
| 3.16 Other indirect emissions | 26 | <0,1% | 26 | ISO |
| TOTAL SCOPE 3 | 121,684 | 99% | 66,117 | +84% |
| TOTAL SCOPES 1+2+3 | 121,750 | 100% | 66,811 | +82% |

ARGAN's action also helped avoid 5,360 tCO₂e thanks to the injection of photovoltaic energy into the grid.

In 2023, **ARGAN** developed a low-carbon strategy aimed at supplementing and enriching its first climate plan. Based on 2022 greenhouse gas emissions figures, **ARGAN** carried out a comprehensive review of the sources of emissions, scope by scope and category by category.

The company then carried out projection work, drawing on science to project its emissions for 2030 and work on a pathway aligned with the Paris Agreement (1.5°C scenario).

2022 was chosen as the reference year. The reduction targets chosen are based on an Absolute Contraction Approach scenario.

The company has chosen to define ambitious objectives, going beyond the scenario studied, expressed as follows:

- **70%** reduction in GHG emissions for its **Scope 1** by 2030;
- **Net Zero** target for the scope of its market-based **Scope 2** by 2030 (after minimizing its energy consumption as much as possible);
- **50%** reduction in **Scope 3 GHG emissions** (in-use) for the **Energy scope** by 2030.

In 2024, **ARGAN** added to these initial targets with a target of a **30%** reduction in GHG emissions for its **Scope 3 linked to the construction of its warehouses** (embedded carbon).



■ Decarbonisation action plan

Based on the work carried out, **ARGAN** identified 4 priority workstreams for reducing its emissions:

- **Scope 1 (- 70%)**
 - Gradual transition of the fleet to electric and/or hybrid vehicles;
 - Study of the future evolution of the heating/cooling system of the head office;
 - Finalisation of the instrumentation through sub-meters of the **ARGAN** sites (two warehouses concerned).
- **Scope 2 (net zero market-based)**
 - Implementation of a certified green electricity purchase contract meeting quality standards in terms of origin and decarbonisation (contract in place since November 2024);
 - Plan for reducing resource usage at the head office.
- **Scope 3 – Energy (- 50%)**
 - Acceleration of the climate plan (see after);
 - Confirmation of the **AUTONOM[®]** label for new developments;
 - Additional deployment of photovoltaic capacities in roofs and shade canopies at existing sites dedicated to self-consumption.
- **Scope 3 – Construction (-30%)**
 - Gradual use of low-carbon concrete, particularly in paving
 - Installation of cooling equipment and heat pumps using low-GWP (Global Warming Potential) gases
 - Optimisation of insulation on roofs
 - Use, when possible, of mixed wood/concrete frames and structures or 100% wood, low-carbon photovoltaic panels, and low-carbon metal (framework, reinforcement, etc.)
 - **ARGAN** and its construction partners remain on constant watch and will carry out regular reviews to integrate new innovative solutions to complement these initial action steps.
- **Scope 3 – Other purchases**
 - Implementation since 2024 of an ESG supplier charter with increased awareness of climate change and decarbonisation objectives;
 - Consideration, in the future, of GHG performance in the choice of suppliers.

These objectives will be gradually expanded for rehabilitation projects and for the maintenance of the warehouse portfolio.

■ Carbon capture project

ARGAN decided in 2024 to take a new step in its carbon-related commitments to serve its customers. The aim is to make **AUTONOM**® the first zero-carbon warehouse concept in use. In addition to energy performance measures and the production of self-consumed renewable energy with storage, which have reduced use-related CO₂ emissions by 90%, next autumn **ARGAN** will launch a large-scale carbon capture programme based on a forest reforestation project in the municipality of Cestas, in Gironde.

The reforestation project in Cestas aims to restore a forest affected by decline caused by a pest insect, the Pissodes. This project is based on the majority planting of Maritime Pine, a species emblematic of the Landes de Gascogne, known for its resilience to local climatic conditions. Alongside it, Sessile Oak, a native species, is also being introduced, as well as Pedunculate Oak. The plan includes the creation of linear edges of broadleaf trees with Sessile Oak, while preserving trees of ecological interest for biodiversity. Special attention is given to the preservation of wet ditches and small aquatic areas. The

works are carried out by local companies, located less than 100 km from the plot, and all hold sustainable forest management certification. The maintenance of the plot will be gradual and adapted each year, using equipment such as the mixer and subsoiler to maintain soil structure, promote root development of the trees and improve water management, while also helping to combat the Pissodes.

This 39-hectare project will plant nearly 52,000 trees. Led by Oklima, an EDF subsidiary dedicated to capture projects, it will comply with all best practices in the sustainable management of forests and biodiversity and will be certified low-carbon by the French State. Its operation will be PEFC certified.

ARGAN is reasserting its determination to continue reducing its greenhouse gas emissions in accordance with the commitments made. This project complements the Group's overall climate and decarbonisation action plans and is in no way intended to replace them.





Focus 2: AUTONOM[®] and energy management

Our commitments to 2030

- Apply the standard AUTONOM[®] to all new development projects;
- Deploy the heat pump, CTM/BMS and LED plans on the existing assets;
- Produce 200,000 MWh of renewable energy within the scope of **ARGAN**, used primarily for self-consumption to reduce our clients' emissions.

Our actions for 2025 and 2030

- 100% of new developments with AUTONOM[®]; the warehouse that produces its own green energy;
- To reach 45% of gas-free warehouses by 2025, in sq.m developed (65% by 2030);
- Deploy CTM/BMS in 75% of our warehouses (100% by 2030);
- Reach 98% of our warehouses equipped with LEDs (100% by 2030).

| Our objectives | 2024 progress report | 2025 Objective | 2030 Objective |
|--|---------------------------------------|----------------|--|
| Percentage of new developments to the AUTONOM [®] standard. | 100% (excluding acquisitions) | 100% | 100% |
| Share of locally produced and self-consumed energy. | 23.6% on average on equipped sites | NA | 100% equivalent heating, cooling and lighting 35% total consumption |
| Share of ARGAN gas-free warehouses, in sq.m developed. | 29.73% | 45% | 65% |
| Share of ARGAN warehouses equipped with CTM/BMS. | 83% | 75% | 100% |
| Share of ARGAN warehouses with LED lighting. | 98% | 98% | 100% |
| Number of MWh of renewable energy produced. | 26,759 | 35,000 | 200,000 |



Fleury-Mérogis

■ Climate Plan 1.0

ARGAN's low-carbon strategy is linked to the climate plan launched in 2019. It was reviewed in 2023 to speed up its deployment:

- **LED PLAN - Over the last six years, ARGAN** has carried out an extensive relamping campaign, replacing old and energy-intensive lights with the latest generation of intelligent LED systems, controlled by natural light and human movement. More than 98% of this plan has now been rolled out.
- **HEAT PUMP PLAN – ARGAN**, in consultation with its customers, has launched an ambitious plan to replace gas heating systems with the latest generation of air/water heat pumps across its entire portfolio within 10 years (€50 million investment). In 2023, **ARGAN** decided to focus first on the sites with the highest emissions. Fruitful discussions with our customers enabled deployment to begin in 2024.
 - At least 265,000 sq.m of warehouses will have switched from gas heating to a heat pump by the end of 2025. This will reduce greenhouse gas emissions by over 2,500 tCO₂e.
 - Note in particular the delivery of the Sens site leased to RENAULT, which accounted for 16.6% of the total gas consumption of the real estate portfolio in 2023.
 - Discussions continue with our tenant customers to plan future investments.

- **CTM PLAN** – As part of the tertiary decree, **ARGAN** has set up a vast programme for monitoring and managing consumption, making it possible to collect consumption data. However, **ARGAN** intends to go further by installing its own BMS/CTM systems, which allow for detailed analysis at the unit level or by type of equipment (such as air conditioning).
 - 27 sites have been equipped with BMS/CTM since 2023, representing more than a million additional sq.m covered.
 - The Group now dedicates a position specifically to the issue of energy monitoring.

Thanks to the work carried out alongside its customers, the energy intensity per sq.m of the portfolio continues to decline year after year, reaching an impressive -9.2% in 2024 compared with 2022.

■ Deployment of AUTONOM® and photovoltaic production

Main objective of the AUTONOM® concept: Maximise the energy independence of the building thanks to local, self-produced and decarbonised electricity.

Moving away from fossil fuels is now achievable thanks to technological progress and the significant reduction in costs. Constantly seeking innovative solutions shared with its tenant customers, **ARGAN** began a pioneering approach in 2018, by equipping its new warehouses with rooftop photovoltaic power plants intended for self-consumption by its tenant customers.

Since the launch of its Climate Plan in 2018, **ARGAN** chose to dedicate the renewable energy produced on the roofs of its new warehouses to self-consumption instead of selling it on the grid. This bold and original choice for a real estate company is beneficial from an economic, ecological and carbon perspective. Producing electricity at the point of consumption is, indeed, the most virtuous approach:

- With on-site production, electricity losses are limited and public distribution networks are less stressed, which prevents local authorities from having to spend heavily on strengthening networks.
- Approximately 40% of the warehouse's overall needs (and 100% for heating, cooling and lighting) are covered with green energy by the photovoltaic power plant installed on the roof, either for immediate self-consumption or for deferred self-consumption (thanks to storage batteries). The rest is provided by the network.
- For tenant customers, this results in savings. The invoice paid to its supplier takes into account a reduced volume thanks to self-consumption. The energy produced on site is invoiced by **ARGAN** to the customer in the form of an additional rent. Thanks to **AUTONOM®**, the customer-tenant reduces its exposure to increases in the cost of grid electricity by the same amount.
- Thus, CO₂ emissions are divided by ten compared to a traditional warehouse thanks to the combined effect of banning gas heating and the self-consumption of low-carbon energy, which limits the purchase of electricity from the grid.
- This drastic reduction in emissions, complemented by a residual offset approach through reforestation, makes **AUTONOM®** the Net Zero warehouse in use.



The **AUTONOM®** label thus rewards warehouses whose CO₂ emissions are drastically reduced compared to a traditional logistics building thanks to:

- the production of self-consumed photovoltaic energy (including deferred production using storage batteries);
- electric heat pumps for heating and cooling the warehouse;
- smart LEDs combined with brightness detectors;
- a BMS (Building Management System), which is used to control, measure and display in real time the building's total electricity consumption, its production of self-consumed green electricity, and the percentage of electric autonomy;
- an associated carbon capture project to offset residual emissions.

Since the launch of this label, the company has initiated or studied over ten projects. In 2024 alone, **AUTONOM®** 7 new warehouses joined the **ARGAN** real estate portfolio.

Beyond that, at the end of 2024, **ARGAN** had nearly 88,000 sq.m of photovoltaic panels installed, representing more than 16.9 MWp installed. **ARGAN** produced nearly 27,000 MWh in 2024.



Focus 3: Sustainable site management

Our commitments to 2030

- Make the BREEAM Excellent level the new construction standard for **ARGAN**;
- Strengthen our actions to preserve and restore biodiversity, in particular by helping to raise awareness of this theme among our clients and partners;
- Where possible, give priority to carrying out our new developments on brownfields;
- Incorporate, as far as possible, enhanced management of water resources.

Our actions for 2025 and 2030

- Have 75% of our new developments that start from 2025 certified at least at the BREEAM Excellent level (100% by 2030);
- Integrate actions to preserve and restore biodiversity in 100% of our new projects;
- Make 50% of our customers aware of the sustainable management of sites (100% by 2030);
- Integrate enhanced water management tools for 50% of our new developments (100% by 2030).

| Our objectives | 2024 progress report | 2025 Objective | 2030 Objective |
|--|---|----------------|----------------|
| Percentage of new developments certified at or above BREEAM 'Excellent', by number of sites. | All developments initiated from 2025 will be certified BREEAM Excellent | 75% | 100% |
| Percentage of new developments carried out on brownfield sites, in sq.m developed smoothed over 3 years. | 18% | 10% | 20% |
| Percentage of new developments incorporating actions to preserve and strengthen biodiversity. | 100% | 100% | 100% |
| Proportion of customers made aware of sustainable site management (sustainable management of green spaces, best waste management practices, etc.). | A sustainable site maintenance guide was developed in 2024. Awareness raising begins in 2025. | 50% | 100% |
| Share of new developments incorporating enhanced water management (infiltration, land management, limiting water consumption, rainwater collection, etc.). | 100 % of developments carried out by ARGAN | 50% | 100% |
| Compliance with the commitments, objectives and action plans set as part of the Biodiversity Strategy (target achievement index) | 58% | 60% | 100% |

*NB: The volumes of waste produced by **ARGAN** and the water consumption of the head office are negligible due to the small number of our employees. Specific actions have nevertheless been implemented to reduce our impact as much as possible (selective sorting at the head office, no more single-use plastic or water bottles, etc.).*

■ Construction and Sustainable Site Management

All projects under development at **ARGAN** give rise to Life Cycle Analyses (LCAs) upstream of construction, incorporating recommendations to reduce the impact of construction.

ARGAN also called on ecologists to carry out ecological diagnostics on each of the projects launched in development in 2024. The purpose of this work is to:

- Identify habitat types, as well as the flora present on the sites (including invasive species and protected and/or threatened species);
- Identify protected and/or threatened wildlife species present or potentially present (assessment of wildlife habitat potential);
- Identify the remarkable elements to be conserved and recovered (tree serving as a nesting site, group of nectariferous plants of interest to pollinating insects, etc.);
- Issue instructions to preserve the most interesting elements for biodiversity and incorporate additional actions for possible restoration and/or offsetting.

In addition, special measures may be taken at construction sites to limit the impacts (working hours, start period, non-lighting at night, etc.).

In 2024, **ARGAN** developed a sustainable building maintenance guide. It gives a number of recommendations to our tenant customers on topics such as energy efficiency, water management, green space management, equipment maintenance, waste management and raising awareness among staff and the value chain. This guide is intended to be presented to each of our customers by incorporating a summary of the main challenges of the site.

■ Biodiversity strategy

ARGAN is aware that the rapid erosion of biodiversity poses a major threat to ecosystems, affecting natural resources as well as the benefits related to our environment (such as climate regulation and air quality) and directly impacting the conditions of human life. As the main player in logistics real estate in France, **ARGAN** has a key role

to play in the protection and restoration of biodiversity nationwide through its footprint and the construction or rehabilitation sites it conducts. This is why, for many years now, **ARGAN** has put in place an approach that makes it possible to bolster the biodiversity potential of some of its warehouses through concrete targeted actions. More generally, the Group is committed to minimising the effects related to its activity, or even deploying actions to promote a positive contribution in terms of biodiversity, whenever possible.

This means protecting natural habitats, restoring degraded areas and integrating sustainable practices throughout our value chain.

To this end, in 2024, **ARGAN** decided to adopt a genuine Biodiversity strategy to formalise and further strengthen its commitments, by aligning itself with national and international goals on the five major pressures impacting biodiversity (land artificialisation, overexploitation of resources, climate change, pollution and invasive alien species).

ARGAN will thus work on the following projects:

- Preservation of natural habitats (impact studies, ecological developments, revegetation and integration into the landscape, preservation of local spaces)
- Ecological management of existing spaces (differentiated management of green spaces, elimination of pesticides, preservation and enhancement of biodiversity, virtuous water management)
- Mobilisation of stakeholders (raising awareness among tenants and the value chain, employee involvement, co-construction, sustainable innovation)

These projects will result in the establishment and monitoring of key indicators, a map of high-stakes areas, a strengthening of the environmental certifications of our warehouses (BREEAM Excellent, Biodiversity, etc.) and transparent reporting on the achievement of our objectives.





ARGAN has set eight objectives for this period, listed below, to which the Group will refer in order to present its annual achievements:

| Principles | Indicator | Achieved 2024 | 2030 Objective |
|--------------------------------------|--|---------------|----------------|
| Fight against soil artificialisation | % of projects carried out on brownfield sites (3-year average) | 18% | 20% |
| Reforestation | Number of trees and shrubs planted, for new projects delivered, per 1,000 sq.m of permeable land (construction and roads) * | 40 | 60 |
| Creation of wetlands | % of new developments incorporating water infiltration basins that can support local wildlife (subject to soil characteristics and regulatory constraints) | 74% | 100% |
| “Biodiversity” label | % of new projects labelled “Biodiversity” (3-year average) | 19% | 75% |
| Preservation of wildlife | % of new projects delivered including the integration of insect and animal shelters (nesting boxes, insect hotels, etc.) | 80% | 100% |
| Circular economy | % of waste recovered on sites during the year (delivered or in progress) | 75% | 90% |
| Sustainable site management | % of customers that have had a dedicated visit regarding sustainability issues | 0% | 100% |
| Responsible use of water | % of new developments incorporating a rainwater recovery and reuse system for other uses | 50% | 100% |

* Achievements in 2024 for this indicator excluding the project carried out in Mondeville for Carrefour, already exemplary in terms of preserving biodiversity and revegetation by planting 11,000 trees according to the “Miyawaki” forest principle.

This strategy is bolstered by the fact that **ARGAN** is part of the Entreprises Engagées pour la Nature initiative, led by the French Office for Biodiversity (OFB). The Group action plan is currently being assessed by the OFB. It will then be audited within two years to validate its scope.



The full presentation of the Biodiversity Strategy is available on the **ARGAN** website under the heading ESG commitments / **ARGAN** charters.

In 2024, **ARGAN** notably implemented the following actions:

- Planting of diverse local plant species;
- Combat invasive alien species;
- Creation of hay/flower meadows and ponds;
- Development of ponds to make them beneficial for biodiversity;
- Installation of crossings for small wildlife;
- Specific preservation measures for certain animals;
- Raising awareness among its customers for

sustainable management with limitation of the use of phytosanitary products and the implementation of eco-pastures;

- Installation of insect hotels, nesting boxes and bird feeders;
- Installation of rainwater recovery systems;
- Planting more than 15,500 trees;
- Planting of country hedgerows;
- Installation of green parking.

Note that the MONDEVILLE site has received the Biodiversitycity PERFORMANT label.



Le Coudray

■ Water management

In 2023/2024, **ARGAN** was able to retrieve its customers' water consumption data for around 84% of its sites. This results in total water consumption of around 217,000 m³ of water, i.e. approximately 9 m³ per FTE per year.

The total volume of water consumed thus remains limited, once divided by the number of sites. Water consumption is limited to sanitary facilities and fire systems. No **ARGAN** site includes processes with high water consumption. Similarly, the risks of resource pollution due to site activities are limited and tightly controlled.

However, special attention is paid to the design to optimise plant and tree varieties in order to limit water consumption. Plants are chosen for local climate and initial watering in the first year only. They then only need water naturally from rainfall. Lawns are not systematically watered. Rainwater recovery systems are installed at some sites. Recycling systems for part of the sprinkler water are also installed at the new sites. All or part of these various water consumption reduction measures are integrated at more than 50% of the **ARGAN** sites.



■ Regulatory elements related to the Environment

The Group ensures compliance with all these regulatory provisions.

■ ICPE regulations

The ministerial order of 11 April 2017 on the prevention of claims in covered warehouses subject to authorisation, registration and declaration under section 1510 replaces the order of 5 August 2002. It applies to covered storage spaces (storing more than 500 tonnes of combustible materials, products or substances) with the exception of facilities used to store categories of materials, products or substances covered by the French Council of State classification, buildings intended exclusively for storing motor vehicles and trailers and establishments open to the public.

The authorisation is granted by the Prefect and examined by staff at the DREAL (Direction Régionale de l'Environnement, de l'Aménagement et du Logement - regional environment, planning and housing agency) and is intended to protect the environment, people and property. A public survey of neighbouring and local communities is conducted in this regard by an investigating commissioner, who submits a report setting out his or her opinion on the proposed development.

Our Group uses specialised companies to build its hubs. In particular, it selects high-quality companies with the skills and experience necessary to guarantee the environmental quality of its projects.

ARGAN's warehouses are all authorised depending on the size of the facility and the nature of the materials being stored. Should the nature and quantity of the products stored change significantly, the DREALs could challenge prefectural authorisations issued prior to the decree of 11

April 2017; in this case, the said decree would then be applied.

ARGAN owns buildings covered by authorisations that date from prior to the decree of 11 April 2017. If necessary, however, they would fulfil the criteria of the said decree, subject to some possible adaptations in due course.

There are currently 3 different ICPE schemes, namely:

- A declaration regime for the storage of combustible products over 500 tonnes and a warehouse volume of less than 50,000 m³;
- A registration regime for the storage of combustible products over 500 tonnes and a warehouse capacity of between 50,000 cubic meters and 900,000 m³;
- An authorisation regime for the storage of combustible products over 500 tonnes and a warehouse capacity of more than 900,000 m³.

ARGAN takes great care to comply with this regulation, which is essential in its sector of activity. The Company works with a specialised firm of engineering consultants to compile the application in conjunction with and on behalf of the tenant, and attends preparatory meetings until the prefectural order is handed down in the tenant's name.

At 31 December 2024, the Group owned buildings containing classified facilities listed in the table showing the locations, ownership methods and surface areas of the assets, in chronological order, included in the 2024 Universal Registration Document, under the regulated information section of the argan.fr website.





■ Climate and Resilience Law

Adopted on 24 August 2021, the Climate and Resilience Law follows on from the 2018 Biodiversity Law and the 2019 Energy and Climate Law, and aims to combat climate change and strengthen resilience to its effects. It took effect on 1 January 2023.

This law concerns commercial and tertiary buildings, and in particular warehouses, with the aim of developing solar energy production through the land use of these buildings. In this respect, newly built warehouses joining **ARGAN**'s portfolio are concerned since it defines the solarisation of new buildings. It requires that building permits for new buildings or expansion projects include a renewable energy production process or a vegetation system.

New industrial, commercial and craft buildings or warehouses and hangars of more than 500 sq.m and office buildings of more than 1,000 sq.m must therefore green or solarise 30% of their surface area.

Since 1 January 2024, new car parks measuring over 500 sq.m must be revegetated or solarised on 50% of their surface area, and 100% of shade canopies where they exist.

Lastly, existing car parks measuring over 1,500 sq.m must be equipped with photovoltaic shade canopies for at least half of their surface area by 2028.

In addition, there is an obligation to reduce final energy consumption for existing tertiary buildings exceeding 1,000 sq.m at the time the law comes into effect, in stages:

- 40% by 2030;
- 50 % by 2040;
- 60 % by 2050.

Some implementing decrees are still pending publication and potential simplifications have been announced, notably for ICPE sites. **ARGAN** remains vigilant and regularly reviews the application conditions of the various regulations. Furthermore, **ARGAN** incorporates these obligations into all its developments and has accelerated its strategy of producing green energy at its sites in recent years by systematising the delivery of **AUTONOM**® warehouses for all new projects.



■ Statement of Risks and Pollution (ERP)

If a property asset (residential or other) is located in an area covered by a natural, mining and technological risk prevention plan, or an area of seismic activity defined by decree, or a regulatory area of high radon potential, or on lands located in a soil information sector (SIS), the vendor or lessor must inform purchasers or tenants of the existence of the risks covered by that plan or decree. The details are provided in an ERP (Etat des Risques et Pollutions - statement of risks and pollution) based on the information supplied by the prefect. The statement is attached to the lease agreement or any unilateral agreement to sell or purchase, and any contract effecting or recording the sale. Decree N° 2018-434 of 4 June 2018 specifies the arrangements for making this disclosure and the content of such statement of risks and pollution.

This disclosure relates to properties located in:

- The risk exposure zone demarcated by an approved technological risk prevention plan;
- An area exposed to risk circumscribed by a foreseeable natural risk prevention plan that has been approved or where certain provisions have been made immediately enforceable pursuant to Article L. 562-2 of the French Environmental Code;
- Areas being assessed with a view to developing a prescribed technological risk prevention plan or natural risk prevention plan;
- Any of the areas of seismic activity 2, 3, 4 or 5 listed in Article R.563-4 of the French Environmental Code;
- An area exposed to risk circumscribed by a foreseeable mining risk prevention plan that has been

approved or where certain provisions have been made immediately enforceable pursuant to Article L.562-2 of the French Environmental Code;

- An area of level 3 radon potential as defined in Article R.1333-29 of the French Public Health Code;
- A district included in the list of lands classified as Soil Information Areas (SIS) provided for in Article L.125-6.

The statement of risks and pollution attached to the lease agreement or any unilateral agreement to sell or purchase, and any contract effecting or recording the sale must mention the risks referred to in the documents described and the evidence attached to the prefectural order and to which the building being sold or leased is exposed. The statement is supplied together with extracts from the documents and evidence used to pinpoint the building in relation to the risks incurred. The seller or lessor prepares the statement of risks and pollution using a template adopted by ministerial decree. The statement must be drawn up less than six months prior to the date of signature of the written lease agreement, the agreement to sell or the document effecting or recording the sale of the property asset.

The obligation for vendors and lessors to provide information on risks and pollution is applicable (in different forms) since 1 June 2006. For tenants, the obligation to attach the statement of risks relates to written lease agreements “noting the new tenant’s entry into the premises”.

■ Environmental Appendix

Law no. 2010-788 of 12 July 2010 establishing a national commitment for the environment and its implementing decree of 30 December 2011 (the “Grenelle 2 Law”) introduced the requirement, from 1 January 2012, for lease agreements (in particular commercial) on office premises or shops of more than 2,000 sq.m to include an environmental appendix; this provision has applied to all current leases since 14 July 2013 (Article L.125-9 of the French Environmental Code).

This environmental appendix incorporates the information that the Lessor and the Lessee must provide on the characteristics of the building and the leased premises. They can then adopt a joint policy to limit energy and water consumption and CO₂ emissions, improve waste recovery, encourage collective or ‘soft’ modes of transport and use more environmentally friendly construction materials



■ Energy performance

Articles L.134-1 et seq. of the French Construction and Housing Code require an energy performance assessment certificate to be drawn up. In the case of a proposed building, the project owner prepares the certificate for handover to the building’s owner, while for an existing building, it is the owner who prepares the certificate for handover at the time of sale or, if the building is for residential use, at the time of rental.

Pursuant to the Grenelle 2 Law, this assessment is mandatory when entering into a commercial lease on all or part of a building, and the certificate must be attached to the lease agreement for information purposes. When the commercial lease pertains to a proposed building, the tenant must be supplied with the assessment certificate no later than the time of receipt of the asset.

The assessment includes the amount of energy consumed or estimated and a reference scale-based classification for evaluating the building’s energy performance. It also includes recommendations for improving this performance.



The Social and Societal Policy

ARGAN intends to strengthen its status as a responsible employer, promoting a motivating and fulfilling working environment. Its Social and Societal policy also aims to involve its employees in the company's success.

Proud of its unique model and able to count on committed employees, **ARGAN** has been developing for many years an ambitious social policy allowing the value created to be shared.

ARGAN is thus committed to a positive and inclusive workplace, a strict wage equality between women and men who work for the company (with equal functions).

Between 2022 and 2024, **ARGAN** took a new step by implementing a three-year bonus share award plan for all its employees, regardless of their function and hierarchical level. 100% of employees are now shareholders of the company

Beyond that, **ARGAN** wishes to promote a safe and pleasant working environment for its entire value chain by working with its construction partners and its customers in order to preserve the health and safety of workers both during the construction and operation phases of buildings and by offering high-quality workplaces that enhance the attractiveness of logistics businesses.

ARGAN complies with French law and all the fundamental conventions of the International Labour Organisation (ILO) applicable to it.

In addition, **ARGAN** is firmly committed, in particular through its contractual documents, to universal human rights:

- Combating child labour;
- Combating forced or illegal labour;
- Dignified working conditions, fair compensation and value sharing;
- Health, safety and well-being at work of its employees, subcontractors, tenants;
- Health and safety and the local communities where its warehouses are located;
- Freedom of association;
- Diversity, gender equality and inclusion (partnerships with integration companies, for example).

These provisions are notably reflected in the Ethics Charter and Supplier ESG Code of Conduct, implemented in 2024 and available on the **ARGAN** website, under the heading ESG Commitments / **ARGAN** Charters.





Clear commitments, clear objectives, concrete actions

The **ARGAN** Executive Board has committed to four key focuses, accompanied by precise objectives and concrete action plans. **ARGAN** will monitor each year and report on its social and societal progress.



Focus 1: Attractiveness, loyalty and upskilling

Our commitments to 2030

- Deliver on our current commitments to share value through the free distribution of shares to all;
- Strengthen our actions to combat all forms of discrimination, for us and our value chain;
- Set up the **ARGAN** Academy to further strengthen the skills of our employees and raise their awareness of ESG issues.

Our actions for 2025 and 2030

- Have 100% of employees be shareholders of the company;
- Keep our equity ratio below 10;
- Involve 100% of our employees in commercial success via a collective sales bonus, in addition to profit-sharing;
- Maintain the gender pay gap at 0% for equivalent positions and continue to prevent any form of harassment and/or discrimination;
- Implement a personalised training and coaching programme for 50% of our high-potential managers (100% by 2030).

| Our objectives | 2024 progress report | 2025 Objective | 2030 Objective |
|--|-------------------------|--------------------------------------|--------------------------------------|
| Percentage of employee shareholders of the company | 100% | 100% | 100% |
| Equity ratio | 2.2 | Minimal ratio held and well below 10 | Minimal ratio held and well below 10 |
| Percentage of employees eligible for the collective sales bonus and profit-sharing (contingent on the achieving targets) | 100% | 100% | 100% |
| Gender pay gap for an equivalent position | 0% | 0% | 0% |
| Number of cases of harassment or discrimination | 0 | 0 | 0 |
| Percentage of managers with potential for whom a personalised training and coaching programme has been set up | 48% | 50% | 100% |



■ Human Resources

As of 31 December 2024, the workforce was a total of 29 employees (29 permanent contracts), including 27 executives (5 women and 22 men) and 2 non-executives (2 men), all based at the head office in Neuilly-sur-Seine (92). The employees' average age is 43.

Five members of staff joined the Company on permanent contracts during financial year 2024, and there were six departures, including one retirement. The Company had no issues of staff absenteeism and there were no workplace accidents.

ARGAN is governed by French law and operates exclusively in France and in fact complies with all the fundamental conventions of the International Labour Organisation (ILO) applicable to it (French law being more stringent than the ILO in terms of labour regulations).



Le Coudray

100% of ARGAN employees are shareholders of the company

■ Compensation

The company has put in place an attractive compensation system aimed at motivating its employees and based on the performance achieved on an individual and collective level:

- A fixed salary paid over 13 months;
- A collective sales bonus distributed in a strictly equal manner to all employees. Its amount depends on the rents generated by the new leases of the developments signed during the financial year, as well as their rental profitability and their fixed term;
- A classic collective profit-sharing agreement based on the company's performance (according to the property developer margin and occupancy rate criteria). It is capped at two months' salary per employee. Those who wish to do so can set aside the profit-sharing in an inter-company savings plan (PEIE) or a PERCOI (A retirement savings plan).
- A bonus share award scheme. Previously reserved for members of the Executive Board and the Executive Committee, in 2022 it was decided to extend it to all staff. All employees thus benefit from free distribution of shares, the quantities of which will depend on the company's performance over the three financial years 2022, 2023 and 2024. This expanded bonus share award scheme reflects everyone's recognition of the Group's overall performance and the desire to share results more fairly. A total of 55,000 shares were distributed to employees and corporate officers. This plan ended in January 2025.

A new profit-sharing agreement for 2025 was unanimously approved by staff. This new plan is based on the results of the development (developer margin linked to developments in particular) and property/asset departments (income from rental management), incorporating ESG criteria, respectively new rents from the **AUTONOM®** warehouses and the Heat Pump plan.

Beyond these principles, which apply to all, executive compensation remains deliberately contained at levels that are significantly lower than the main listed groups and our peers. **In addition, 20% of the share awards reserved for members of the Executive Board are now linked to ESG criteria, in this case the reduction in greenhouse gas emissions in line with the low-carbon strategy.**

The equity ratio, which measures the ratio between executive pay and average employee pay, stands at 2.2 for members of the Executive Board (compared with around 50 for SBF 120 companies and even around 100 for the 100 largest French companies).

Two meetings are organised each year with all employees to share information about the company, its financial and non-financial performance and the resulting compensation mechanisms, in complete transparency.



■ Diversity and the fight against discriminations

No pay gap was observed between women and men of the organisation in equivalent positions.

In addition, **ARGAN** ensures respect for diversity, strict gender equality and the fight against all forms of discrimination on a daily basis and in its recruitment processes. **ARGAN** aims to increase the proportion of women in the company for the future; however, this objective is difficult to implement given the small size of

the company, low turnover and a sector of activity with fewer women.

Lastly, a whistleblowing procedure was put in place at the end of 2023 to send any reports, comments or questions on these issues of equality, discrimination and inclusion. The whistleblowing system is incorporated into the **ARGAN** ethics charter available on argan.fr. 100% of **ARGAN** employees were trained in the topics related to the various charters in 2024 and in particular the ethics rules.



ARGAN headquarters in Neuilly-sur-Seine



■ Training and coaching

An annual training plan is in place to upgrade the knowledge and skills of **ARGAN** employees. The **ARGAN** Academy, an employee training and coaching programme, has been in place since 2024. This programme includes, in particular, training related to ESG themes, on the three pillars.

In 2024, 14 employees (48% of staff) benefited from this training and coaching programme, amounting to more than 315 hours of training at a cost of over €65,000 (invoicing of training organisations).



Focus 2: Quality of life at work

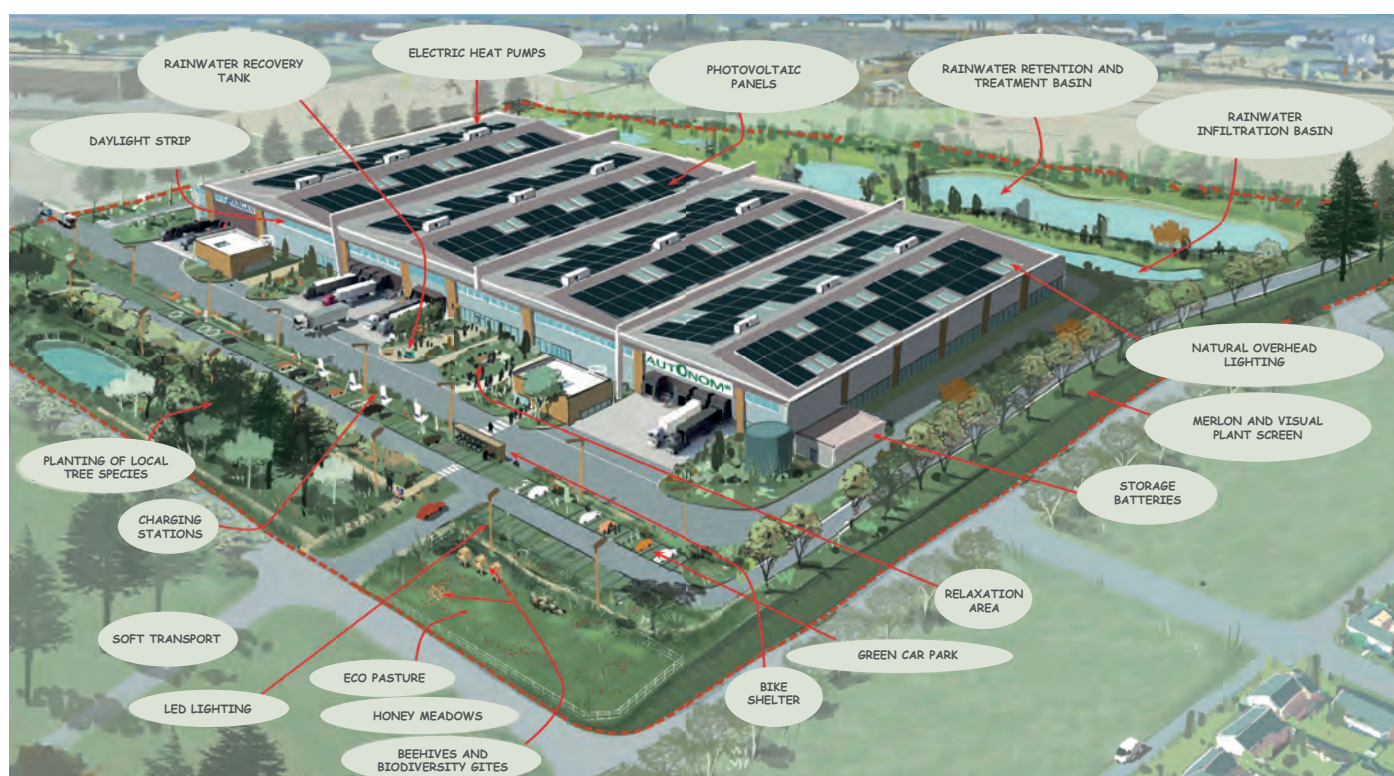
Our commitments to 2030

- Work with our stakeholders to further improve the performance of our warehouses and guarantee it over time, including in the face of climate change;
- Ensure the company's inclusiveness for people with disabilities, including our visitors.

Our actions for 2025 and 2030

- Integrate a systematic co-construction process with our customers, aimed at improving quality of life at work, for all new projects.

| Nos Objectifs | 2024 progress report | 2025 Objective | 2030 Objective |
|--|----------------------|----------------|----------------|
| Percentage of new projects incorporating a co-construction process dedicated to quality of life at work. | 100% | 100% | 100% |
| Share of business premises accessible to people with disabilities (registered office). | 100% | 100% | 100% |





Montbartier site, leased to Decathlon

© Agence Franc

■ Quality of life at work for our employees

Everything has been adapted to ensure the comfort and quality of our employees' working environment. At the head office in Neuilly-sur-Seine, spacious offices have recently been refurbished, with LED lighting, bright and open meeting rooms, changing rooms with showers, kitchen, provision of coffee, fruit and pastries, etc. Particular attention has been paid to the building's total accessibility for people with disabilities, but also for people with visual and hearing impairments. Finally, the **ARGAN** head office allows us to test new approaches and new services that could, in the future, be integrated into the offices of our warehouses. Every week, a suitable place is rented by the company close to the head office to allow volunteers to practice a sporting activity together.

In 2024, a welcome booklet was created to facilitate the onboarding of new employees

8 additional days of leave have also been allocated to all employees to improve the work-life balance.

■ Quality of life at work for our customers' employees

The working environment provided in our warehouses is, of course, an area of constant improvement, in close contact with our customer.

The light colour of the walls and the ceiling, the white paint applied to certain partition walls, specific effort regarding the diffusion of natural light with the integration of very large openings (bay windows, transom windows, etc.) including in the warehouses, the quality and intensity of artificial light, the ergonomics of the spaces, acoustic comfort, the presence of resting places, the emphasis on the quality and quantity of green spaces, etc. We lean on all possible levers under our control to help create an environment that is favourable to the quality of work and to well-being at work.

These factors are becoming increasingly important for us and our customers, faced with less attractive logistics businesses and competition to attract the best talent. Beyond that, the comfort of the facilities and their adaptability will be even more central to continuing to offer quality workspaces that take into account the future impacts of climate change.





Focus 3: Prevention, health and safety

Our commitments to 2030

- Guarantee the safety of our employees by further strengthening prevention;
- Work with our stakeholders to improve security during the construction and operation phases of our warehouses.

Our actions for 2025 and 2030

- Strengthen the safety commitments of construction, maintenance and upkeep companies sponsored by **ARGAN**, through the mandatory signing of a Supplier ESG charter;
- Set up a training plan dedicated to safety

| Our Objectives | 2024 progress report | 2025 Objective | Objective 2030 |
|---|-------------------------|-------------------------------|---|
| Percentage of employees working in the field who have completed a safety awareness and training course (electrical accreditation, road safety, etc.). | 50% | 75% | 100% |
| Percentage of constructors that have signed the ARGAN ESG Supplier Code of Conduct, including a security component. | Action launched in 2025 | 100% (construction target) | 100% (construction and maintenance target) |





■ Prevention, health and safety

The health and safety of our employees is at the heart of our social policy. Awareness-raising initiatives are therefore carried out regularly, particularly for employees who have to visit our sites or who work directly in our warehouses. In 2024, no accidents or near misses were recorded for **ARGAN** personnel.

All employees working in the field have been trained to comply with best safety practices. For example, they have received electrical certification.

As a contractor for the construction sector, **ARGAN** wishes to promote and monitor with its partners the measures implemented to reduce the risk of accidents during construction sites as much as possible. In 2024, **ARGAN** thus published an ESG Supplier Code of Conduct incorporating clauses dedicated to the fundamental rights of workers but also to the health and safety of their employees.

Zero Accidents Target on projects sponsored by ARGAN

Finally, enhancing the safety of our stakeholders also requires continuous improvement of the design of our sites in order to limit risks during operation. As owner-lessee, we must provide them with warehouses in full compliance with the regulations on the prevention of health and safety risks. However, this is not enough and we are going beyond strict compliance. Many measures have already been taken, going beyond recommendations and regulations. This project will be continued and strengthened in the coming months.

ARGAN has put in place a whole set of elements in its warehouses aimed at strengthening the safety of our customers' employees: full-width glazed banners, anti-crash safe zone, systematic slabs tests in terms of slippage and abrasiveness, separation of vehicle flows, speed bumps at pedestrian crossings, etc.

And during the construction phases, a safety coordinator is present on each site to promote best practices (wearing of PPE, behaviour in high-risk situations, etc.).





Focus 4: Civic actions

Our commitments to 2030

- Promote integration during the construction phases, for the maintenance and maintenance of our warehouses, in coordination with our partners and customers.
- Promote local employment by assigning an increasing share of activities to companies located near our project sites

Our actions for 2025 and 2030

- Integrate an inclusion clause into 10% of our construction, maintenance and upkeep contracts (25% by 2030).
- Include a local subcontracting clause in our construction contracts (30% by 2030)

| Our Objectives | 2024 progress report | 2025 Objective | 2030 Objective |
|--|-------------------------|----------------|-------------------------------|
| Share of construction, maintenance and upkeep contracts with inclusion clause. | Action launched in 2025 | 10% | 25% |
| Number of hours of integration per construction site | Action launched in 2025 | | 250 hours per site on average |
| % of revenue from a project entrusted to local companies (distance less than 180 km) | Action launched in 2025 | | 30% |

Civic actions

ARGAN is continuing and strengthening its support for local actions to realise the co-benefits of installing its warehouses in the territories. In addition, **ARGAN** intends to mobilise its value chain to facilitate the hiring of workers in an integration program during the construction and maintenance phases of its warehouses in the future, focusing on two key areas:

- The percentage of construction, maintenance and upkeep contracts that include an integration clause and the planned number of integration hours based on the built surface area;
- The percentage of revenue linked to a project that will be entrusted by constructors to local companies.

These new actions, decided in 2024, will further improve the sharing of the value created with the territories hosting an **ARGAN** warehouse. These objectives were shared with our constructors during workshops held in 2024.



Governance Policy

Our Governance policy is based on principles of transparency, integrity and accountability.

ARGAN is organised in such a way as to create favourable conditions for its development in compliance with the rules of good governance. It refers to and applies the MIDDLENEXT Corporate Governance Code for listed companies and is also inspired by the principles of the AFEP-MEDEF Code, updated in December 2022.

The Group has chosen a dual governance structure based on an Executive Board and a Supervisory Board. This separation ensures a balance between management and

control powers to enable the company to set its objectives and the means to achieve them in light of its values and missions.

ARGAN has robust policies, charters and procedures in place to prevent corruption and conflicts of interest. It is resolutely committed, with zero tolerance for acts related to corruption.

The company has put in place the necessary internal control mechanisms to ensure the quality of financial information and minimise operational risks.

The Company also integrated ESG performance into the company's compensation policy for all its employees from the 2025 financial year.





Clear commitments, clear objectives, concrete actions

The **ARGAN** Executive Board has committed to four key focuses, accompanied by precise objectives and concrete action plans. **ARGAN** will monitor each year and report on its governance progress.



Focus 1: ESG governance

Our commitments to 2030

- Achieve the best management standards for our ESG policy, ensuring respect for human rights throughout its value chain;
- Promote these fundamental principles to all our stakeholders, in particular by developing our main contractual documents (CPI, BEFA, RFP, etc.);
- Raise employee awareness of climate change;
- Further strengthen our ethical approach and the fight against all forms of corruption;
- Integrate ESG performance into the company's compensation policy, particularly for the Executive Board.

Nos actions pour 2025 et 2030

- Raise 100% of our employees' awareness of ESG and climate change;
- Incorporate ESG criteria into the compensation of 100% of our employees (incentive plan);
- Train 100% of decision-making employees in anti-corruption and responsible purchasing

| Our Objectives | 2024 progress report | 2025 Objective | 2030 Objective |
|---|------------------------------------|-------------------|-------------------|
| Percentage of suppliers that have signed the ARGAN ESG charter, including a human rights component. | Action launched at the end of 2024 | 100% | 100% |
| Percentage of new contractual documents incorporating ESG criteria and approved by our stakeholders. | Action launched at the end of 2024 | 100% | 100% |
| Share of employees trained and/or made aware of climate change. | 100% | 100% | 100% |
| Percentage of decision-making employees trained in the fight against corruption with signature of our ethics charter. | 100% | 100% | 100% |
| Percentage of employees with a portion of compensation linked to ESG criteria. | Agreement signed in 2024 for 2025 | 100% of employees | 100% of employees |



■ Our Governance structures

For more details on our governance bodies, see page 71.

■ Lobbying activities and political participation

ARGAN does not use outside professionals to represent its interests. All actions in its area of activity are steered and financed by the FEI, the Fédération des Entreprises Immobilières, which represents players in the sector, including **ARGAN**, before the public authorities. **ARGAN** is also a member of AFIOLOG, which plays a similar role in its scope of action.

ARGAN spent €60,896 on its membership of these two structures in 2024.

ARGAN refrains from any political intervention, participation or lobbying. It prohibits any kind of political involvement on its behalf. The company specifies its limits in its ethics charter.

■ Ethics, Risk and Responsible Procurement

• Ethics Charter

ARGAN drew up and published a new Ethics Charter at the end of 2023. It highlights our respect for the law and people, as well as our responsibilities towards our customers and all **ARGAN** stakeholders. The Ethics Charter defines, explains and formalises the values, rules of conduct and behaviour, as well as the principles of action that we expect from ourselves and that our relations with **ARGAN** stakeholders require from us.

It specifies in particular:

- The whistleblowing system put in place, with the possibility of submitting an alert anonymously or confidentially;
- Measures to support and protect whistleblowers;
- The organisation of internal control;
- Measures to promote equality, diversity and inclusion;
- The anti-harassment policy;
- The company's participation in political activities;
- The principles of relations with our stakeholders.

The whistleblowing mechanism is also accessible to the company's other stakeholders, in particular its suppliers.

In 2024, **ARGAN** did not receive any alerts on breaches of ethics.



Savigny-sur-Clairis

• Anti-Corruption Charter

At the end of 2023, **ARGAN** published and distributed to its employees an anti-corruption charter for strict compliance with rules of conduct to promote honest and exemplary professional behaviour. Our ambition is to achieve the highest standards in terms of sustainable development through impeccable professional ethics.

In particular, it addresses the following themes:

- Corruption;
- Influence peddling;
- Conflicts of interest;
- Gifts and invitations.

It provides for a set of sanctions in the event of an act contrary to the rules laid down.

The anti-corruption charter has been communicated to all **ARGAN** employees, who in turn undertake to comply with it. Each employee signs this Charter every year.

In the event of a dilemma regarding a potential attempt at corruption, each employee may request an opinion from the company's General Secretary, in charge of Ethics.

In 2024, no cases of corruption were reported or detected.



- **IT and personal data protection charter**

ARGAN updated its IT Charter in January 2024. This Charter has two components:

- IT, the purpose of which is to specify and recall most of the principles relating to the practical procedures for accessing and using **ARGAN** resources, the conditions under which the use of these resources is authorised and, more specifically, the ethical, technical and legal security rules applicable to all users in compliance with the laws. This component thus makes it possible to strengthen the company's cybersecurity;
- Protection of employee privacy and data. The company ensures that it adopts and complies with a strict privacy policy that complies with the regulations in force, in particular the European General Data Protection Regulation no. 2016/679 of 27 April 2016 (GDPR) as well as all the rules of national law adopted pursuant to it, in the alternative.

With regard to the protection of personal data, the published Charter describes in a clear, simple and complete manner the way in which **ARGAN**, in its capacity as data controller, collects and uses Personal Data and the means available to each employee to control this use and exercise the rights relating thereto.

100% of ARGAN employees took a training course in 2024 to raise their awareness of the company's ESG commitments and the application of these charters.

- **Stock market ethics charter**

Published in June 2024, the stock market ethics charter aims to explain the set of stock market ethics rules, both internally and with respect to any third party, in force in France in order to avoid any risk of insider trading or unequal treatment of shareholders, particularly concerning the categories of inside information.

- **Responsible Purchasing Charter & Supplier ESG Code of Conduct**

In November 2024, **ARGAN** bolstered its Purchasing policy with the publication of a Responsible Purchasing Charter and an ESG Code of Conduct for its suppliers.

This Charter governs **ARGAN's** relationship with its suppliers within a proactive framework from an ESG perspective. It refers to the UN Global Compact with 10 principles around Labour Law, the Environment and the Fight against Corruption, and includes and recalls Argan's ESG commitments, particularly with regard to climate issues, to reduce the carbon footprint of the value chain.

This set of ESG charters and guidelines is publicly available at argan.fr under the "ESG commitments" section.





Focus 2: Reporting and transparency

Our commitments to 2030




- Prepare future regulatory deadlines (CSRD, Taxonomy, etc.) by addressing underlying issues (Fit for 55, etc.);
- Define and integrate key standards and benchmarks to enable transparency and comparison of our ESG performance.

Our actions for 2025 and 2030

- Integrate the GRESB benchmark;
- Become a Company committed to nature, with submission of a biodiversity action plan..

| Our Objectives | 2024 progress report | 2025 Objective | 2030 Objective |
|---|--|--|-------------------------------|
| Number of databases and benchmarks integrated by ARGAN . | ECOVADIS - Global Compact -Entreprises Engagées pour la Nature (action plan submitted)- Sustainalytics -Ethifinance- GRESB | Global Compact Entreprises Engagées pour la Nature (action plan approved) Sustainalytics + GRESB (publication) + Ethifinance + ECOVADIS | + CDP + SBTi (approval) |






| | |
|---|--|
|  United Nations Global Compact | ARGAN supports the United Nations Global Compact |
|  | ARGAN has obtained the ECOVADIS silver medal |
|  | ARGAN submitted its biodiversity action plan in 2024, with feedback expected in the first half of 2025. The Group is a member of Entreprises Engagées pour la Nature (subject to feedback from the OFB) |

■ Change in our non-financial rating

ARGAN is also actively preparing future regulatory deadlines (CSRD, Taxonomy, etc.) by responding to the underlying issues (Fit for 55, etc.). Following the announcements by the European Commission in February 2025 (OMNIBUS Directives), the timetable and scope of regulatory non-financial reporting by **ARGAN** is likely to be modified during 2025. **ARGAN** is closely monitoring regulatory developments and is continuing its preparatory work to be able to fulfil its future obligations.

At the same time, the Group set itself the goal of defining and integrating key standards and benchmarks to enable transparency and comparison of its ESG performance. This is why **ARGAN** intends to increase the number of standards and benchmarks that include it in their ESG ratings (Sustainalytics, GRESB, etc.). It also wants to have its approach certified by independent bodies.

2024 was a year of solid progress in terms of the rating of **ARGAN**'s achievements and non-financial strategy by Sustainalytics and Ethifinance. In addition, as announced, **ARGAN** initiated the rating process with GRESB and also obtained an initial rating from ECOVADIS.

| Body | 2024 results for 2023 | Reminder 2022 | Change |
|---|----------------------------|---------------------------|---------------|
|  SUSTAINALYTICS | 16.7 Low risk | 17.4 Medium risk | PROGRESS |
|  Ethifinance | Gold status (75/100) | Silver status (64/100) | PROGRESS |
|  | Silver status (Top 15%) | NA | New benchmark |



Focus 3: Responsible purchasing

Our commitments to 2030

- Develop our responsible purchasing policy, integrate our suppliers into the approach and train the employees concerned;
- Define and integrate key standards and benchmarks to enable transparency and comparison of our ESG performance.

Our actions for 2025 and 2030

- Develop our responsible purchasing policy, train the employees concerned and integrate our suppliers into the approach by having them sign our future ESG charter, which includes a human rights component;
- Incorporate concrete ESG commitments (fight against illegal employment, respect for human rights, etc.) into 100% of our new contractual documents (CPI in particular);
- More specifically, define a new sustainable, resilient and low-carbon warehouse format with our construction partners.

| Our Objectives | 2024 progress report | 2025 Objective | 2030 Objective |
|---|----------------------|----------------|----------------|
| Percentage of purchasing employees trained in responsible purchasing. | 100% | 100% | 100% |

■ Changes in our responsible purchasing policy

In 2024, **ARGAN** published a responsible purchasing charter, thus integrating its suppliers into the approach, and provided training for its relevant employees. More specifically, the Group also defined a new format for a sustainable, resilient and net zero carbon warehouse in use (including a reforestation offset programme in France) with its construction partners, of which **AUTONOM[®]**, deployed since 2022, is a key step. The goal of **ARGAN** with this standard is to integrate ESG considerations over the entire life cycle, from the definition of the project with its customers and with local areas through to operation, including construction and maintenance.

100% of ARGAN employees involved in purchasing were trained in responsible purchasing in 2024



Focus 4: Regional development and new logistics formats

Our commitments to 2030

- Define and implement a plan for optimising co-benefits when designing new projects, in consultation with the regions;
- Study new virtuous schemes around, in particular, brownfield rehabilitation.

Our actions for 2025 and 2030

- Integrate a systematic co-construction process with local authorities, aimed at optimising the co-benefits of our new projects.

| Our Objectives | 2024 progress report | 2025 Objective | 2030 Objective |
|--|----------------------|----------------|----------------|
| Percentage of new projects integrating a co-construction process with local areas. | 100% | 100% | 100% |

■ Developments in our commitments to local areas

Our warehouse in Mondeville, delivered in 2024, is a first building block that will crystallise and strengthen our commitments to virtuous territorial development plans, around a major industrial wasteland (see project description on page 14).

In 2024, **ARGAN** delivered €180 million in investments in the French territories. Around 25,000 employees of our customers work at our logistics platforms.

Our contribution to the Sustainable Development Goals

In 2023, ARGAN committed to the United Nations Global Compact and its ten principles surrounding human rights, labour standards, the environment and the fight against corruption. ARGAN will publish its first Communication on Progress (COP) in 2024.

In addition, **ARGAN** wanted its ESG strategy to integrate the 17 Sustainable Development Goals of the United Nations. Given its activity, its size and the relatively small number of its employees (around thirty), **ARGAN** has decided to focus its actions more specifically on the following five Sustainable Development Goals:



ARGAN will contribute to the French renewable energy targets by installing significant photovoltaic capacities on the roofs of its warehouses and its car parks, in particular for self-consumption purposes. At the same time, the company will reduce the end energy consumption of its sites, in conjunction with its client-tenants.



ARGAN will contribute to the overall resilience of logistics chain infrastructures as well as to the reindustrialisation of the French territory, in close alignment with users and end clients. The company will continue to drive innovation in the development of its projects and in the services provided to users of its warehouses.



ARGAN will ensure compliance with environmental regulations within its scope of activity, in conjunction with all its stakeholders. The company will develop new concepts limiting the artificialisation of soils. It will also pay particular attention to optimising the co-benefits of its activities for the territories that host them.



ARGAN is firmly committed to limiting its greenhouse gas emissions by aligning its low-carbon strategy with the SBTi. At the same time, the company will work on adapting its warehouses to the consequences of climate change, both in their resilience and for their users.



ARGAN will increase its focus on protecting biodiversity and work to restore it where possible. The company will work on a plan to limit the artificialisation of soils and reduce impacts during the construction/renovation of its warehouses.

In addition to these five SDGs, **ARGAN** will remain particularly attentive to goal 5 (Gender equality), 6 (Clean water and sanitation), 8 (Decent work and economic growth) and 12 (Responsible consumption and production), both in its own activity and in its value chain.

ESG general framework and governance

A family-led French player driven by a long-term vision, ARGAN has developed an ambitious ESG strategy, reinforcing its commitments in all three components. This strategy has intentionally been framed around the expectations of the CSRD Directive. Complementary thematic strategies on climate and biodiversity have further enhanced the initial work to align with best practices. ARGAN thus reaffirms its priorities:

- The implementation of proactive action plans to promote decarbonisation, the production of renewable energies and biodiversity
- A fair sharing of the value created for all our stakeholders and in particular our employees
- The satisfaction of our tenant customers and their support in the face of new challenges
- Support for the territories that host our warehouses

Methodology

ARGAN conducted a major update of its ESG strategy in 2023. The preparatory work carried out was supplemented in 2024 to incorporate a set of new themes, taken into account in the ESRS standards.

As part of this work, **ARGAN** deliberately integrated the main guiding principles to conduct a double materiality analysis. Subject to confirmation of the change in European reporting standards announced in February 2025, **ARGAN** would no longer be subject to the CSRD reporting obligation. However, **ARGAN** is still waiting for the regulatory elements necessary to update its ESG reporting framework.

To define its ESG strategy, **ARGAN**:

- identified, through a series of internal interviews and workshops, its potential impacts on its environment and its stakeholders – 2023
- measured the potential impact of changes in its environment on its activity, while respecting the potential impact materiality issues identified in the ESRS standards – 2024
- compared these elements with a sector benchmark covering its main competitors and incorporating benchmark studies (CBRE, ADEME, etc.) – 2023 & 2024
- conducted a risk and opportunity analysis incorporating ESG themes (see page 62) – 2023 & 2024

ARGAN plans to supplement these elements in 2025 with a resilience study (physical risks) of its real estate portfolio.

The ESG team, assisted by an independent consultant, led the data collection process and assessed the information in order to draw conclusions on the relative importance of the various impacts. All themes, sub-themes and sub-sub-themes were assessed using the same rating system and thresholds. In-house subject matter experts played a key role in this process.

The conclusions of this work were reviewed by the General Secretary of **ARGAN**, member of the Executive Board, before validation by the Executive Board of **ARGAN**. They served as the basis for the ESG strategy published in 2023 and its enhancement in 2024.

The ESG risk analysis and the double materiality matrix will be updated in 2025 to incorporate the results of the full resilience study planned for the first half of 2025.

These documents will then be presented and validated by the Supervisory Board after consultation with the Audit, Risk and Sustainability Committee.

Dialogue with stakeholders

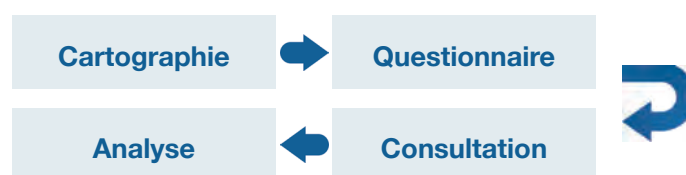
As part of this approach, **ARGAN** also consulted its main stakeholders. This participatory approach was carried out by an independent external service provider in order to guarantee the quality of the content and the proper presentation of the various words.

It took the form of:

- Precise mapping of relevant stakeholders
- Personalised questionnaires on the actions, challenges, expectations and ambitions of each stakeholder on the three ESG components
- Extensive consultation with 21 external stakeholders (customers, suppliers, local authorities, financial partners, professional organisations) and the extended **ARGAN** management team. 25 interviews were conducted with representatives of the targeted organisations and **ARGAN** employees as well as senior managers, operational managers and ESG managers, over a minimum period of one hour

An additional documentary analysis of the policies and commitments of these stakeholders on key themes, in particular the carbon strategy, and an analysis of best practices in the sector.

This work made it possible to formalise the expectations of stakeholders on environmental, social and societal issues. Their contributions gave rise to several reports to **ARGAN**'s Senior Managers and were directly integrated into the formalisation of the main workstreams and the company's ESG strategy.



Albon

In addition, these discussions also made it possible to validate the stakeholders' perception of **ARGAN's** main potential impacts that could affect them. Continuous dialogue with our stakeholders informs our strategic decisions, our day-to-day operations, our business model and our sustainability efforts. For our customers in particular, we continually assess their needs in order to adapt to changing market demands. The views and interests of our key stakeholders are continuously discussed internally at dedicated monthly follow-up meetings attended by some or all members of the Executive Board. The Supervisory Board is regularly informed to ensure prompt action and continuous evolution of our strategy and business model.



Our approach to stakeholder engagement varies by stakeholder group, and we use a mix of informal and formal channels and methods to maintain this dialogue throughout the project lifecycle:

- Once the building is delivered, our customers have a dedicated asset and property team, guaranteeing regular contact and permanent availability on a daily basis and in the event of specific support needs (resolution of claims, extension projects, energy improvement works, etc.)
- Our shareholders have access to regular publications of information on current developments and financial and non-financial results in French and English. In addition, conferences and roadshows are dedicated to them in addition to the Annual Shareholders' Meeting, which is open to the public.
- The representatives of the partner territories are in constant dialogue with our teams to ensure the best possible integration of our projects according to their challenges (quality of the building, jobs created, control of the environmental impact, etc.)

In addition, we call on internal and external experts to better understand the changes in our business sector and the expectations of stakeholders. These experts include key employees with responsibilities and knowledge of specific aspects of our business model and operations. For sustainability issues, we use external advisors with in-depth knowledge of areas such as environmental issues related to our business model.

Risk analysis and mitigation

ARGAN updated the mapping of its ESG risks in order to bring it into line with the standards expected for the CSRD. This work made it possible to define the most significant potential impacts of ARGAN and the associated risks, taking into account the probability of their occurrence, their scope, their scale and their irremediable nature.

ARGAN has thus identified the main risks that could have a negative impact on its business, reputation, financial position, results, future valuation or development prospects.

In addition, ARGAN carried out an initial precise analysis of the opportunities linked to these impacts, in particular regarding its premium positioning when it comes to changes in energy costs and climate change.

These elements have been incorporated into the work to update ARGAN's materiality. It has also extended its impact analysis to its entire value chain, both upstream and downstream, and initiated concrete discussions with its partners to limit its impacts in the future.

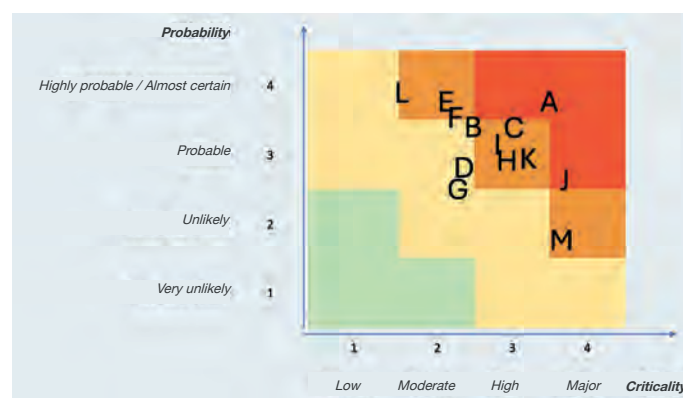
ARGAN's upstream value chain includes its partners in the building industry and their employees.

ARGAN's downstream value chain mainly includes its tenant customers.

More specifically, climate change risks can be broken down into:

- **Physical risks** resulting from damage caused directly by weather and climate events resulting from climate system changes.
 - These risks are controlled by applying current standards at construction stage and adjusting the property portfolio in response to climate change. For example, each warehouse is equipped with a lightning protection system. Its role is to prevent the destructive effects of lightning striking the building. Lightning rods placed on the roof of the warehouse are connected to a grounding loop (a buried bare copper cable that surrounds the building). In the event of a thunderstorm, static electricity present in the ambient air is preferably discharged through the circuit running from the lightning rods to the earth, rather than by following a random path and potentially causing material damage or even harm humans.
 - It should also be noted that all the Company's properties are located in France, a part of the world subject to climate change, but in a more manageable context than other regions of the world and 29% of properties are in the Paris region. No assets are located on the coast or in mountainous areas.
- **Transition risks** resulting from modifications made in view of a transition to a low-carbon economy. Risk control is based on the sustainable development policy adopted by the Company. As at 31 December 2024, the Company has not recognised any provision or guarantee for environmental risks.

The table below lists net risks (i.e. after taking into account risk mitigation and prevention measures) by category and their level of priority according to their potential impact and their likelihood of occurrence:



- A. Climate
- B. Soil artificialisation
- C. Adaptation to climate change
- D. Biodiversity
- E. The circular economy
- F. Human capital
- G. New business lines / diversity of uses
- H. Health and safety of the value chain
- I. Financing / debt / stock market listing
- J. Market cycles and diversification
- K. Project development
- L. Formation and renewal of governance bodies
- M. Business ethics

NB : A resilience study focusing mainly on physical risks is planned for the first half of 2025 to further enhance this analysis.

Each risk analysis theme is the subject of a presentation of the context, challenges, impacts and highlights for each annual period. The following elements were thus taken into account:

- Actual or potential impact;
- Risk Scale and Scope;
- Probability;
- Irremediable nature;
- Potential associated opportunities;
- The scope concerned (own operations, the upstream or downstream value chain);
- The time horizon.

The risk matrix is determined according to criticality and frequency:

- Criticality (Scale*Scope): Minor / Moderate / Strong / Major (rated from 1 to 4);
- Frequency: Very unlikely / Somewhat unlikely / Probable / Very likely (rated from 1 to 4).

Lastly, each risk is associated with one or more types of impact:

- Financial;
- Customer Service;
- Security;
- Environment / Biodiversity;
- Social;
- Governance;
- Legal;
- Organisational;
- Reputation.

Control actions are also associated with each risk and reviewed during the annual update.

It should be noted that an analysis of resilience risks of our real-estate portfolio is planned by the end of 2025.

*NB: Other risks that are not identified, not materialised or currently considered immaterial or emerging could exist and have a negative impact on **ARGAN**, its activities, its reputation or its future medium- and long-term financial results. This risk analysis is valid at the publication date and is based on available financial, environmental, geopolitical and macroeconomic information. A regular review of these risks and the appropriateness of the control actions is carried out each year by the Audit, Risks and Sustainability Committee to validate their relevance over time.*



Ranking and summary of material net ESG risks specific to ARGAN and/or its business sector

| Category | Risks | | Means of control |
|-------------|---|---|---|
| Environment | A. Climate | Moderate RISK <ul style="list-style-type: none"> Tighter expectations and regulation towards a low-carbon economy. | <ul style="list-style-type: none"> Significant reduction in the carbon impact of construction and operation; Decarbonisation of the entire logistics chain; Renewable and local energy production; Watch. |
| | B. Soil artificialisation | Moderate RISK <ul style="list-style-type: none"> Tighter expectations and regulation towards 'net zero soil sealing'. | <ul style="list-style-type: none"> Anticipation; Stock of available land; Diversity of uses for new projects; Clearance; Brownfield conversion. |
| | C. Adaptation to climate change | Moderate RISK (subject to dedicated study) <ul style="list-style-type: none"> Resilience risks; Increase in average temperatures; Extreme weather events. | <ul style="list-style-type: none"> Precise analysis of potential impacts by asset; Reversible Heat Pump systems; Adaptation measures; Resilience assessment planed in 2025. |
| | D. Biodiversity | Limited RISK <ul style="list-style-type: none"> Strengthening biodiversity-related regulations. | <ul style="list-style-type: none"> Dedicated biodiversity strategy. |
| | E. The circular economy | Moderate RISK <ul style="list-style-type: none"> Strengthening of regulations related to the use of resources, particularly imported ones. | <ul style="list-style-type: none"> New environmental construction standard; Use of LCAs; Integration of recycled materials; Dialogue initiated in 2024 with partners in the building industry. |
| Social | F. Human capital | Moderate RISK <ul style="list-style-type: none"> Maintaining ARGAN's attractiveness despite fluctuations in workload; Continuity of the local relationship despite development; Maintenance and internal development of the property management activity; Securing the future. | <ul style="list-style-type: none"> Salary and profit sharing policy; Improved quality of life at work; Sound and planned management of jobs and careers; Training and coaching. |
| | G. New business lines/diversity of uses | Limited RISK <ul style="list-style-type: none"> Anticipation of the integration of new business lines (project management, energy management) and new forms of logistics buildings (building on floors, diversity of uses, etc.). | <ul style="list-style-type: none"> Anticipation; Continuing education; Early integration of new skills. |
| | H. Health and safety of the value chain | Moderate RISK <ul style="list-style-type: none"> Non-compliance with regulations by a subcontractor and accident on an area of ongoing works or on a site. | <ul style="list-style-type: none"> Responsible procurement; Raising awareness of the value chain; More binding contractual clauses; Strengthening of controls. |

Ranking and summary of material net ESG risks specific to ARGAN and/or its business sector

| Category | Risks | | Means of control |
|---------------------|---|--|---|
| Societal and market | I. Financing / debt / stock market listing | Limited RISK <ul style="list-style-type: none"> Higher and tighter financing and refinancing conditions; Decline in the attractiveness of the stock market value. | <ul style="list-style-type: none"> Green bonds; Indexation of rents; Voluntary ESG approach; Diversification of funding sources; Setting a cap on variable-rate loans; Strengthening investor relations; Monitoring of the financial rating (S&P). |
| | J. Market cycles and diversification | Moderate RISK <ul style="list-style-type: none"> End of deployment of large and medium-sized warehouses; Uncertainty on consumer goods and e-commerce. | <ul style="list-style-type: none"> Diversification of the portfolio with a decrease in the share of XXL warehouses; Long-term commitments/leases; Diversification of commercial targets with strengthening of mid-caps and new industrial sectors (healthcare, etc.). |
| | K. Project development | Moderate RISK <ul style="list-style-type: none"> Difficulties in accessing land; Rising raw materials and construction costs. | <ul style="list-style-type: none"> Strong link with local authorities; Co-construction with architects, project managers and builders to control additional costs. |
| Governance | L. Formation and renewal of governance bodies | Moderate RISK <ul style="list-style-type: none"> Risks associated with the departure of a key person, in particular a member of the Le Lan family. | <ul style="list-style-type: none"> Anticipation; Transition before departures; Reasserted family control (family agreement reported to the AMF). |
| | M. Business ethics | Limited RISK <ul style="list-style-type: none"> Poorly controlled purchasing management; Corruption. | <ul style="list-style-type: none"> Charters; Internal control; Training, awareness-raising. |

Double materiality matrix

The materiality matrix presented below has been produced and prioritised by integrating stakeholders' expectations, ARGAN's overall performance challenges for the future, the company's impacts on its environment and the potential financial impacts resulting from the ESG risk analysis, thus meeting the principle of double materiality.

■ Decision-making process

For all ESRS and related topics:

- The formalisation of the double materiality matrix was carried out by the ESG teams with the support of an external consultant, drawing on the relevant internal experts.
- This formalisation drew on the impact, risk and opportunity analysis carried out and is based on internal documents relating to operational procedures, ESG policies, questionnaires and the monitoring of ESG indicators.
- An initial version was reviewed during workshops with the ESG team. The final version was reviewed by the General Secretary of **ARGAN**.
- The final version was validated by the Executive Board, subject to the update planned for 2025 on resilience risks.

■ Interests and views of interested parties

The various stakeholders of **ARGAN** can be classified according to the following groups:

- Customers;
- Local players, particularly local authorities;
- Suppliers and constructors in particular;
- Shareholders, financiers and analysts.

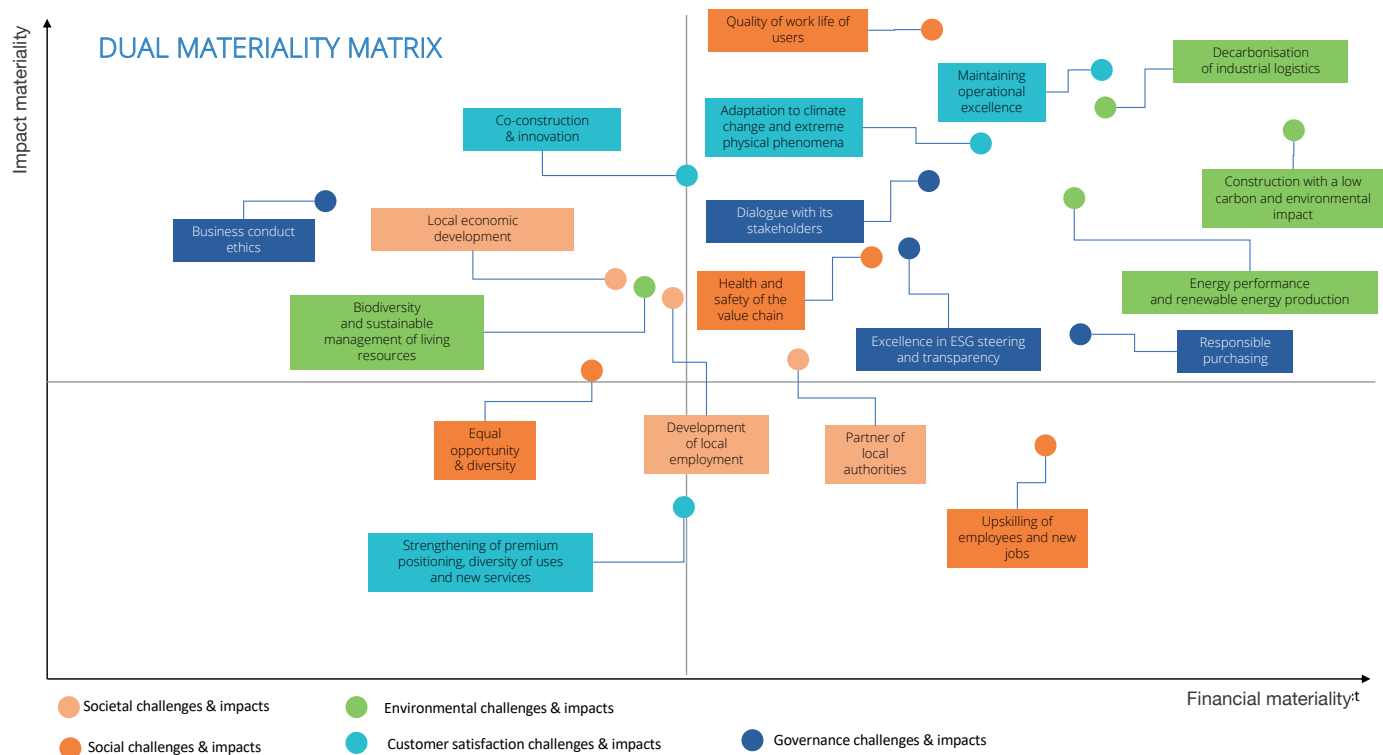
These different groups were surveyed in order to build the **ARGAN** materiality matrix.

From these interviews, the following main points emerge, reflecting the interests and views of the main stakeholders:

| Stakeholders | Key ESG expectations and perceptions |
|---|---|
| Customers | <ul style="list-style-type: none"> • A long-term relationship of very high quality thanks to agility and responsiveness, whether in the event of a problem or upstream during decision-making; • Actual ESG performance of warehouses is sought, particularly in relation to energy and GHG emissions; • Integrated asset management and property management teams. |
| Local players, particularly local authorities | <ul style="list-style-type: none"> • Preparing for Zero Net Soil Artificialisation with Footprint Reduction; • The challenges: carbon neutrality + renovation & rehabilitation; • Being attentive to boosting the local economic fabric and supporting densification and increased mixed-use; • A praised long-term relationship with a stable French player with a long-term real-estate and territorial vision. |
| Suppliers and builders in particular | <ul style="list-style-type: none"> • ARGAN's desire for dialogue and co-construction to implement decarbonisation and energy efficiency solutions for new projects is welcome. A lively dialogue is underway for 2024. |
| Shareholders, Lenders, Analysts | <ul style="list-style-type: none"> • In 2023, formalisation of ESG strategies, particularly low-carbon strategies; • Commitments with specific indicators, particularly environmental indicators; • The search for international labels, benchmarks and international renowned agencies; • Perception <ul style="list-style-type: none"> - The AUTONOM* innovation was welcomed as well as the plan to renovate the existing portfolio by installing heat pumps to replace gas boilers; - The presentation of ARGAN's ESG strategy in October 2023 was very well received, with Sustainability taking into account very quickly (transition from medium risk to low risk). |

This is a one-off change in the matrix carried out last year, in accordance with the principles of the Corporate Sustainability Reporting Directive, as the scope of **ARGAN** has not been fundamentally modified since the previous financial year. Some materiality issues were slightly reprioritised to refine their impact levels and clarified to better describe all the elements integrated into each.

This dual materiality matrix was validated by the **ARGAN** Executive Board and will be reviewed in mid-2025 to incorporate the results of the full resilience study planned for early 2025.



■ Environmental challenges & impacts

- Decarbonisation of industrial logistics
- Construction with a low carbon and environmental impact
- Energy performance and renewable energy production
- Biodiversity and sustainable management of living resources

■ Societal challenges & impacts

- Partner of local authorities
- Development of local employment
- Local economic development

■ Social challenges & impacts

- Upskilling of employees and new jobs
- Quality of work life of users
- Health and safety of the value chain
- Equal opportunity & diversity

■ Governance challenges & impacts

- Dialogue with its stakeholders
- Responsible procurement
- Excellence in ESG steering and transparency
- Business conduct ethics

■ Customer satisfaction challenges & impacts

- Maintaining operational excellence
- Adaptation to climate change and extreme physical phenomena
- Co-construction & innovation
- Strengthening of PREMIUM positioning, diversity of uses and new services

Details of the various issues

■ Environmental challenges & impacts

Biodiversity and sustainable management of living resources

ARGAN's activity entails soil artificialisation (excluding construction on brownfield sites), the installation of fences, external lighting sources, as well as noise pollution that can cause discontinuities in the black, green and blue corridors. The sustainable management of the green spaces of the sites and the regeneration of life on the sites operated and/or on nearby sites is an important challenge to limit the impact of **ARGAN**.

Decarbonisation of industrial logistics

While **ARGAN**'s direct emissions are extremely limited, **ARGAN**'s activity generates a significant volume of indirect GHG emissions, due to the extraction of raw materials, the transport of materials and the warehouse construction process, as well as the operation of the latter by its customers. Improving energy efficiency, energy performance and the integration of low-carbon construction technologies and methods are important challenges in limiting the impact of **ARGAN** and its value chain.

Low-carbon and low-environmental-impact construction

In addition to GHG emissions, the construction and operation of warehouses may have other environmental impacts (soil quality, water consumption, etc.) that must be measured and limited. The continuous improvement of the design of warehouses, as well as the gradual integration of a circular economy logic into the construction and future end of life of buildings, should make it possible to limit the impact of **ARGAN** and its value chain.

Energy performance and renewable energy production

Warehouse operating costs, as well as their energy-related impacts, are an important topic for **ARGAN** and its customers. The production of photovoltaic energy on the roof via the **AUTONOM**® standard, and tomorrow in shade canopies, as well as LED plans for lighting, heat pumps for heating and energy consumption analysis are all levers for adaptation aimed at reducing the impact of **ARGAN** and its value chain.

■ Social challenges & impacts

Quality of life at work for users

ARGAN is constantly working to improve not only the quality of life at work of its own employees (in particular through pleasant, accessible premises, etc.) but also the quality of life of future users of its warehouses; an important criterion for helping its customers gain the loyalty of their employees.

Health and safety of the value chain

ARGAN supports its employees in their tasks, provides appropriate tools and equipment and offers training to limit damage to their physical integrity and health. The company carries out equivalent work with regard to the design of its warehouses to deliver safe workplaces, while ensuring that its partners in the building industry strictly comply with safety standards on construction sites.

Upskilling of employees and new jobs

ARGAN can rely on a team of a limited number of people, but highly expert and sustainably committed. To maintain this expertise, **ARGAN** implements a personalised training and coaching plan. In addition, **ARGAN** remains attentive to changes in its market and its activity and ensures that it integrates the most relevant new business lines to maintain the excellence of its customer service (decarbonisation, energy, etc.) and limit its impacts on its environment.

Equal opportunities & diversity

ARGAN is aware of the importance of maintaining a virtuous and inclusive working environment, which leaves room for everyone. The company strives to integrate diversity as much as possible into its recruitment and internal promotions. Through its small team, **ARGAN** must prioritise competence and commitment, wherever they come from, by sharing with everyone, equally, the collective value created.



■ Governance challenges & impacts

Ethical business conduct

ARGAN and its managers pay close attention to the conduct of business. The company strives to comply with best practices and to do so relies on the values and ethics fostered by its founder. It monitors compliance with these principles with the same rigour at its partners and suppliers. The basic principles and practical arrangements in this area are detailed in Charters.

Dialogue with stakeholders

ARGAN maintains a strong and active dialogue with its main stakeholders. By listening to the needs of its customers, the expectations of its partner communities, the aspirations of its employees, the feedback from its value chain and its suppliers, the company strives to limit its impacts by allowing everyone to express their point of view to enable collective alignment.

Excellence in ESG management and transparency of information

ARGAN and its managers are convinced of the strategic importance of the subjects covered by ESG and ensure that best practices are implemented in terms of management and transparency in the information provided and the commitments made.

Responsible procurement

ARGAN invests between €100 million and €150 million each year as part of its development. This ambition of the company generates a strong responsibility towards its value chain, in order to build stable, ethical and responsible relationships, but also demanding, in order to collectively limit the potentially negative impacts of the company's activity.



Montbartier

■ Customer satisfaction challenges & impacts

Maintaining operational excellence

ARGAN has chosen to position itself in a premium segment, offering quality assets, integrating the latest technologies and significant energy and environmental innovations. In addition, it provides a personalised service to its customers to guarantee their satisfaction and provide first-rate performance, including non-financial performance.

Adaptation to climate change and extreme weather phenomena

In addition to its own emissions and environmental impacts, **ARGAN** is aware of the potential impact of climate change on its environment and its business. The company incorporates the concept of resilience into the construction and life of its assets as well as its business model.

Co-construction & innovation

ARGAN ensures that the best industrialised and secure technologies are integrated into its new developments. The company co-constructs its approach with its partners, customers and the territories in which it establishes or develops its activity.

Strengthening of the PREMIUM positioning, mix of uses and new services

ARGAN is working tirelessly to strengthen its premium positioning, a better guarantee of the resilience of its business model and its future revenues. Attentive to its stakeholders, the company monitors expected changes in its business model, the integration of new value-added services and the needs of sites that integrate different types of use, without deviating from its fundamentals.

■ Societal challenges & impacts

Local economic development

ARGAN est consciente du rôle économique local de ses implantations et travaille avec les territoires et ses clients pour maximiser les co-bénéfices potentiels, dans la durée.

Development of local employment

Through its sites, **ARGAN** enables its customers to position about 25 000 jobs as close as possible to the regions. By working on the diversity of uses, the company strives to optimise this potential for local jobs.

Partner of local authorities

An **ARGAN** site is not just a warehouse, it is part of its territory. **ARGAN** works with local authorities to limit impacts, optimise co-benefits, validate the acceptability of new sites and develop real win-win partnerships, an essential element for the future development of the company.

Preparation for CSRD compliance

With a view to preparing its future sustainability report, **ARGAN** notably reviewed its exposure to ESRS (European Sustainability Reporting Standards) themes. The company therefore considers the following levels of materiality:

| ESRS | Material for ARGAN | Integrated into ARGAN issues |
|------------------------------------|--|---|
| Climate change | Yes | <ul style="list-style-type: none"> Decarbonisation of industrial logistics; Low-carbon and low-environmental-impact construction; Adaptation to climate change and extreme weather phenomena; Energy performance and renewable energy production. |
| Pollution | No | |
| Water and marine resources | <p>No</p> <p>While the total volume of water consumed is greater than 216,000 m³, it remains limited relative to the number of sites. Attention is paid to design to optimize plant and tree varieties to limit water consumption. Lawns are not systematically watered. Rainwater recovery systems are installed at some sites. Water consumption is limited to sanitary facilities and fire systems. No ARGAN site includes processes with high water consumption. Similarly, the risks of resource pollution due to site activities are limited and tightly controlled. ARGAN sites are not located in protected areas and are only marginally affected by water restriction measures. Periods of drought would have only a very limited impact on the activity of its sites.</p> <p>The associated risks will be reviewed regularly by the member of the Management Board in charge of ESG and by the Audit Committee of the Supervisory Board.</p> | |
| Biodiversity and ecosystems | Yes | <ul style="list-style-type: none"> Biodiversity and sustainable management of living resources. |
| Resources and the circular economy | Yes | <ul style="list-style-type: none"> Low-carbon and low-environmental-impact construction. |
| Company-specific workforce | Yes | <ul style="list-style-type: none"> Health and safety of the value chain; Upskilling of employees and new jobs; Equal opportunities & diversity. |
| Workers in the value chain | Yes | <ul style="list-style-type: none"> Health and safety of the value chain; Equal opportunities & diversity; Dialogue with our stakeholders; Responsible procurement. |
| Affected communities | No | |
| Consumers and end users | No | |
| Conduct of business | Yes | <ul style="list-style-type: none"> Ethical business conduct; Dialogue with our stakeholders; Excellence in ESG management and transparency of information; Responsible procurement. |

ARGAN has prepared to integrate the reporting of the various material ESRS and the associated data points, notably by conducting a gap analysis on the quantitative data. As the number of **ARGAN** employees is below the threshold of 1,000 mentioned in the draft revision and simplification of the CSRD Directive, **ARGAN** remains attentive to changes in regulatory requirements and will be able to adapt to changes in the timetable and reporting framework.

ESG governance

■ Our governance structures

■ The Executive Board

Composed of a small team of 4 members offering reactivity and efficiency, the Executive Board brings together leading managerial, financial, ESG and real estate skills.

It is tasked with developing and implementing **ARGAN**'s strategy, validating its consistency with the model and financial objectives, and deploying the ESG roadmap component. The General Secretary of **ARGAN** is responsible for defining, deploying, steering and monitoring the strategy validated by the Executive Board and reviewing the associated action plan. He has been a member of the Management Board since April 2024. For this engagement, he relies on a team partly dedicated to this engagement and on resources shared within the other **ARGAN** departments (energy expert, etc.). He also is responsible for deployment at all levels and awareness-raising among all employees. Lastly, he reviews the environmental, social and societal risks resulting from the analysis of the company's risks as well as a review of climate risks.

The role of the Executive Board is to ensure the development of the company and to guarantee the management of the operational activity.

It is also responsible for the application of and compliance with the governance criteria detailed in the following documents:

- Ethics Charter (including the protection of whistleblowers);
 - Anti-corruption Charter (including conflict of interests prevention);
 - ESG Charter for Suppliers, Service Providers and Subcontractors;
 - IT Charter (including personal data protection and cybersecurity);
 - Stock market code of conduct;
- Deployment of the Biodiversity strategy.

■ The Supervisory Board

The Supervisory Board is a collegial body comprised of six members, including two independent members, who collectively represent all shareholders. Its primary objective is to ensure the long-term success of the company while respecting the interests of all third parties essential to achieving this objective, namely shareholders, staff, customers, suppliers and other creditors. To this end, it examines and sets the company's strategic guidelines and exercises permanent control over the management implemented by the Executive Board.

- Supervisory Board 33% female;
- 33% independent members on the Supervisory Board¹.

Comprised of women and men with extensive experience, its diversity ensures the quality of its judgement, its ability to anticipate and its integrity in carrying out its supervisory and oversight functions.

Since 2023, ESG issues have been specifically addressed by the Supervisory Board as part of the Audit, risks and sustainability Committee's activity report, at least once per year.

In addition, as part of the relationship between the Executive Board and the Supervisory Board, the Executive Board presents an activity report at each meeting of the Supervisory Board. In particular, this report presents progress on ESG themes.

In line with our ESG policy, the Supervisory Board and the Management Board carry out the duties assigned by law and act by considering the social and environmental issues of **ARGAN**'s activities.

¹ Independence defined within the meaning of the Middle Next Code.



- **Risks and opportunities**

They regularly review opportunities and risks such as financial, legal, operational, social and environmental risks and the measures taken as a result. This is the role of the Audit, Risk and Sustainability Committee, which meets at least twice a year.

- **Anti-corruption measures**

Where applicable, they ensure that a system is in place to prevent and detect corruption and influence peddling.

- **Diversity, Equity, Inclusion**

They ensure the proper implementation of a non-discrimination and diversity policy.

- **Strategic information**

They ensure that shareholders and investors receive relevant, balanced and educational information on the strategy, the development model, the consideration of significant non-financial issues for the Group and its long-term prospects.

- **Shareholders' rights**

In their governance, they must pay particular attention to a fair link between:

- The entrepreneurial freedom of senior managers;
- The protection of minority shareholders;
- The sustainability of the company;
- Accountability to the entire ecosystem, first and foremost its employees but also to all other stakeholders.

During its meetings, the main topics addressed by the Supervisory Board are:

- The commercial policy;
- The development strategy;
- The social component (Human Resources);
- The ESG strategy and actions.

The Supervisory Board is assisted by two committees: the Audit, Risk and Sustainability Committee and the Appointments and Compensation Committee, each composed of three members appointed by the Supervisory Board, and chaired by an independent member.

- **The Audit, Risk and Sustainability Committee**

The Audit, Risk and Sustainability Committee's duties include:

- Following the process for preparing financial information and, where appropriate, making recommendations to ensure its integrity;
- Monitoring the effectiveness of the internal control and risk management systems, as well as internal auditing, where appropriate, with regard to the procedures for preparing and processing accounting and financial information, without infringing on its independence;
- Issuing a recommendation on the statutory auditors proposed for appointment by the General Meeting or who are being considered for reappointment;
- Monitoring completion by the statutory auditors of their assignment and taking into account the findings and conclusions of the Haut conseil du commissariat aux comptes, France's supervisory body for auditors, following the audits carried out by the said body;
- Ensuring that the statutory auditors are independent, in accordance with applicable legal and regulatory provisions;
- Approving the provision of services that are not included in the statutory audit engagements;
- Reporting regularly to the Supervisory Board on the performance of its tasks and the results of the account certification assignment, how this assignment has contributed to the integrity of the financial information and the role that it played in this process, and informing the Board of any issues encountered;
- Reviewing the tools and resources implemented with respect to the Company's main risks and reporting to the Board once a year;
- Monitoring the implementation of the ESG strategy.

The full list of its prerogatives and duties is included in the **ARGAN** Universal Registration Document, the latest version of which is available in the regulated information section of the [argan.fr](https://www.argan.fr) website.



■ The Appointments and Compensation Committee

The role of the Appointments and Compensation Committee is to:

- make all useful observations to the Supervisory Board on the composition of the Supervisory Board and the Management Board and issue an opinion on applications for the positions of members of the Supervisory Board or the Management Board with regard to their experience in business, their competence and their economic, social and cultural representativeness;
- It being specified that with regard to the members of the Executive Board, a selection process is organised that guarantees the presence of at least one person of each gender among the candidates until its completion (Articles L.225-58 and L.22-10-18 of the French Commercial Code);
- study and propose to the Supervisory Board all components of the total compensation of the Company's corporate officers and proposing, where applicable, qualitative and quantitative criteria for determining the variable portion of this compensation;
- Review the plans for free allocation of shares, allocation of options for subscription or purchase of shares or any similar instrument for the benefit of employees and senior managers, as well as the terms and conditions for allocation.

The full list of its prerogatives and duties is included in the **ARGAN** Universal Registration Document, the latest version of which is available in the regulated information section of the [argan.fr](https://www.argan.fr) website.



Saint-Jean-sur-Veyle

■ The Energy/Environment monitoring committee

An internal company committee dedicated to monitoring energy investment actions and plans meets once a month, bringing together the company's main managers and the staff directly concerned. Since January 2024, this committee has been extended to monitoring all **ARGAN**'s environmental actions.

■ Expertise in sustainability of management bodies

The sustainability expertise of the management bodies as a whole comes from training provided on the principles and fundamentals of CSR, the CSRD regulation and specific topics (environmental, social and governance) as well as through external experts.

ARGAN has a Supervisory Board, a Management Board and a member of the Management Board in charge of ESG who possess the fundamental expertise necessary to manage ESG impacts, risks and opportunities and whose duties are detailed above.

ARGAN also regularly calls on external experts for specific ESG themes.

■ Training of Board members

All members of the Supervisory Board have the skills required to fully understand the specificities of the Company and its activity. As a result, the Supervisory Board felt that it was not necessary to implement a three-year training plan.

■ Integration of sustainability outcomes into incentive systems

ARGAN is implementing a new profit-sharing agreement in 2025, covering 100% of its employees. It now includes ESG criteria related to the deployment of warehouses **AUTONOM[®]** and the implementation of the Heat Pump plan. In addition, with regard to the members of the Executive Board, it is planned, from 2025, that an ESG criterion (specifically the reduction of in-use carbon emissions) will determine 20% of their bonus share award.



Glossary

▪ AMF

The Autorité des Marchés Financiers regulates the French financial market, its players and the savings products marketed there. It also ensures that investors are properly informed. As part of the CSRD, the AMF proposes a set of application guides to frame the implementation of non-financial standards by French companies.

▪ ANC

The Autorité des Normes Comptables establishes, in particular, in the form of regulations, 'the general and sectoral accounting requirements that must be complied with by natural persons or legal entities subject to the legal obligation to draw up accounting documents that comply with private accounting standards'. It also contributes 'to the uniform application of standards and ensures the coordination and synthesis of theoretical and methodological work carried out in its areas of expertise, in particular in the form of studies and recommendations.' As part of the CSRD, the ANC has issued a set of reference documents to facilitate the implementation of non-financial standards by French companies.

▪ BIODIVERSITY

The Biodiversity label attests to the actions taken to take into account all biodiversity-related issues at the various stages of a real estate project. Biodiversity is particularly suitable for buildings that have (or will eventually have) large outdoor spaces on the ground or on the building. It applies for construction and renovation. It includes in its scope of analysis the diversity of ecosystems, the diversity of species and the relationship with humans.

▪ BREEAM

The Building Research Establishment Environmental Assessment Method (BREEAM) is a UK method for assessing the environmental performance of buildings. This is a label similar to the French High Environmental Quality (HQE) certification. BREEAM certification is awarded following an audit carried out by a BREEAM sworn expert, and takes into account numerous criteria (building management, energy consumption, level of air and water pollution, location in relation to means of transport (and their CO₂ consumption), the level of resource consumption, etc.).

▪ CSRD

Applicable since January 1, 2024, the European Corporate Sustainability Reporting Directive sets new norms and extra-financial reporting obligations. While **ARGAN** should have been initially in the scope of application starting 2025, the draft European Directives called Omnibus should push back the initial application by 2 years, with new criteria. **ARGAN** continues its work of ongoing watch to prepare future obligations at best.

▪ EFRAG

The European Financial Reporting Advisory Group (EFRAG) is an international non-profit association responsible for the development of European Sustainability Reporting Standards (ESRS).

▪ ESRS

European Sustainability Reporting Standards. The purpose of the ESRS standards is to specify what sustainability information a company must disclose. There are a total of 12 ESRS standards.

▪ GHG

Greenhouse Gas Emissions. Naturally occurring or anthropogenic (human-related) gases that absorb and re-emit some of the solar rays (infrared radiation), a phenomenon responsible for the greenhouse effect.

▪ IRO

The CSRD extends the concept of risk analysis to the management of the company's ESG Impacts, Risks and Opportunities. The company must therefore determine which IROs are 'material' for its future business.

▪ SBTi

The "Science-Based Targets", also known as the SBT initiative or SBTi is a partnership created in 2015, between the Carbon Disclosure Project (CDP), the United Nations Global Compact, the World Resources Institute (WRI) and the World Wildlife Fund (WWF). This organisation defines and promotes best practices in terms of reducing greenhouse gas emissions and net zero emissions targets, in line with climate science. It now offers the reference standard for decarbonisation trajectories.

▪ Scopes 1, 2 & 3 (GHG emissions)

Depending on their origin, greenhouse gas (GHG) emissions are classified in scopes 1, 2 and 3. This classification makes it possible to establish the carbon footprint of a company or product. Scope 1 covers direct greenhouse gas emissions from fossil fuels (oil, gas, coal, etc.), Scope 2 covers indirect emissions resulting from the production of energy purchased and consumed by the organisation (electricity and heating/cooling networks) and Scope 3 covers a wider range of emissions and includes indirect emissions resulting from the Company's activities, but which are outside its direct control (products and services purchased, transport and logistics, emissions from tenant customer activities, etc.).

▪ Scope 2 location-based vs market-based

Scopes 2 market-based and location-based are two different methods used to calculate greenhouse gas emissions related to the purchase of energy (electricity, heat, steam) by a company. The location-based method is based on the average energy mix of the local power grid in which the company is located. This method is generally used to assess emissions based on the characteristics of the local power network. Conversely, the market-based method calculates emissions based on the company's specific choices regarding energy supply. This includes the purchase of energy from specific sources, such as renewable energy contracts (with guarantees of origin or RECs) or power purchase agreements (PPA). Each approach gives a different perspective on a company's Scope 2 emissions.



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